

Maluti-A-Phofung Municipality Proposed Final Annual Budget 2017/18 “MTREF”





2017/18 TO 2019/20 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR -Automated Meter Reading
CFO- Chief Financial Officer
MM- Municipal Manager
CPI- Consumer Price Index
DBSA --Development Bank of South Africa
DoRA Division of Revenue Act
DWA -Department of Water Affairs
EE -Employment Equity
EEDSM- Energy Efficiency Demand Side Management
EM- Executive Mayor
FBS -Free basic services
GAMAP -Generally Accepted Municipal Accounting Practice
GRAP -General Recognised Accounting Practice
HR --Human Resources
IDP -Integrated Development Strategy
IT -Information Technology
kl- kilolitre
km- kilometre
KPA- Key Performance Area
KPI -Key Performance Indicator

KWh- kilowatt

ℓ litre
LED- Local Economic Development
MEC -Member of the Executive Committee
MFMA- Municipal Financial Management Act
MIG -Municipal Infrastructure Grant
MMC -Member of Mayoral Committee
MPRA- Municipal Properties Rates Act
MSA- Municipal Systems Act
MTEF-- Medium-term Expenditure Framework
MTREF- Medium-term Revenue and Expenditure Framework
NERSA- National Electricity Regulator South Africa
NGO -Non-Governmental organisations
NKPIs- National Key Performance Indicators
OP- Operational Plan
PMS- Performance Management System
PPE -Property Plant and Equipment
SALGA- South African Local Government Association
SDBIP-Service Delivery Budget Implementation Plan



PART 1: PROPOSED FINAL ANNUAL BUDGET



1.2 RESOLUTIONS

PROPOSED FINAL ANNUAL BUDGET FOR THE 2017/18 AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK, IDP AND RELATED POLICIES

1.2.1 Consolidated annual Operating Budget

The annual consolidated total operating income of **R1,710,877,937.00** and annual consolidated total operating expenditure of **R2,245,877,937.00** and indicative amounts for the two projected outer years **2018/19** and **2019/20**, **be approved as** set out in the following Tables:

- (a) Operating revenue by source reflected in **TABLE A4 on – Page 14**
- (b) Operating expenditure by type reflected in **TABLE A4 on – Page 14**
- (c) Operating expenditure by vote classification reflected in **TABLE A3 on – Page 28**

1.2.2 Consolidated annual Capital Budget

- (a) That the Annual consolidated capital budget of **R272,432,000.00** and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years **2018/19** and **2019/20**, **be approved as** set out in **TABLE A5 on Page 33**

1.2.3 MAP annual Operating Budget

That the Annual total operating income of **R1,502,961,681.00** and annual total operating expenditure of **R2,037,961,681.00** and indicative amounts for the two projected outer years **2018/19** and **2019/20**, **be approved as** set out in the following Schedules:

- (a) Operating revenue source reflected in **TABLE A4 on – Page 40**
- (b) Operating expenditure by type reflected in **TABLE A4 on – Page 40**
- (c) Operating expenditure by vote classification reflected in **TABLE A3 on – Page 39**

1.2.4 MAP Annual Capital Budget

- (a) That the annual capital budget of **R272,432,000.00** and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years **2018/19** and **2019/20**, **be approved as** set out in **TABLE A5 on page 43**



1.2.5 MAP WATER Annual Operating Budget

That the Annual total operating income of **R207,916,256.00** and annual total operating expenditure of **R207,916,256.00** and indicative amounts for the two projected outer years **2018/19** and **2019/20**, be noted as set out in the following Schedules:

- (a) Operating revenue by source reflected in **TABLE D2 on –Annexure 2**
- (b) Operating expenditure by type reflected in **TABLE D2 on –Annexure 2**

1.2.6 that the property rates and any other municipal tax reflected in **Annexure 3** proposed for the budget year **2017/18; be approved.**

1.2.7 that the budget related policies as reflected on **Annexure 4; be approved** for implementation

1.3 EXECUTIVE SUMMARY

The preparation of the proposed final annual budget for the 2017/18 financial year shall be informed by the following:

- Annual IDP of the Municipality,
- Actual results for 2015/2016 financial year,
- Approved Annual and Adjustment Budgets 2016/17
- Expected results for 2017/18 financial year
- Expected changes in the macro-economic environment, and Community priorities.
- Circular 85 and Circular 86
- Circular 82 on Cost containment measures
- The departmental service delivery implementation plans

In terms of section 13 of the MPRA No 6 of 2004 and sections 24 and 42 of the MFMA No 56 of 2003 new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July) after Council' approval otherwise section 139 of the Constitution will apply. Unrealistically low tariff increases and an over-ambitious capital expenditure programme will lead to unfunded municipal budgets that threaten the municipal financial sustainability and service delivery. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs) should be prioritised. Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

The South African economy and inflation targets

The GDP growth rate is forecasted to increase by **1.3** per cent in **2017** and to improve moderately over the medium term with to **2** per cent and **2.2** per cent in **2018** and **2019** respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The unemployment rate was **26.5** per cent in the fourth quarter of **2016**. In aggregate mining and manufacturing employment declined by **80 306** jobs in **2016** while the services sector created **119 189** jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap The economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.



Local government conditional grants and additional allocations

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Municipal Standard Charts of Accounts (mSCOA)

The **mSCOA** Regulations apply to all municipalities and municipal entities with effect from **1 July 2017**. Technically, for a municipality to be regarded as **mSCOA** compliant on 1 July 2017 it must be able to transact across all the **mSCOA** segments and its core system and all sub-systems (including that of its municipal entities) must seamlessly integrate.

Among the lessons learnt from the pilot municipalities, stems the recommendation that a municipality's point of departure for achieving system integration is that it prioritises the maximum integration potential of its core system so that it integrates with the Debtors main sub-system (including cash management and receipting), Payroll and the Assets Management sub-system modules.

Furthermore, all municipalities must accommodate seamless integration of the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget facilities into the core financial system as these documents create a point of departure for the transactional environment come 1 July 2017.

Revenue management

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation has however breached the upper limit of the **3 to 6** per cent target band; therefore, municipalities are now required to **justify all increases in excess of the 6.4 per cent** projected inflation target in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups.

Where revenue collection is not well planned or managed, or where tariffs are not properly set, serious financial problems can arise. Eskom's recent move to cut off power supply to municipalities that have not paid electricity bills is an indication of what can happen when municipalities fail to manage this risk.



Employee related costs

The South African Local Government Bargaining Council entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The preparation of the 2017/18 MTREF constitutes implementation of the last year of the agreement which municipalities must implement as follows:

- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

The previous years were:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent

Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.

Unspent Conditional Grants for 2016/2017

In addition to the requirements outlined in the previous MFMA Circulars regarding unspent conditional grants, municipalities must know that the National Treasury uses the pre-audited Annual Financial Statements (AFS) to determine the unspent conditional grants. The decision is made based on the pre-audited AFS. Therefore, there will not be a review of the unspent conditional grants once the audited AFS are available. It is therefore imperative that municipalities ensure that there is completeness in reported figures on the pre-audited AFS

The Municipal Budget and Reporting Regulations

National Treasury has released Version 6.1 of Schedule A1 (the Excel Formats) which is aligned to version 6.1 of the **mSCOA** classification framework which must be used when compiling the 2017/18 MTREF budget. This version incorporates major changes (see Annexure A). Therefore, **ALL** municipalities **MUST** use this version for the preparation of their 2017/18 MTREF budget.

Budget process and submissions for the 2017/18 MTREF

Budgeting for the audited years on the A schedule (mSCOA)

According to international best practices, it is appropriate to reclassify historical information in line with the changes that occur in the Standard Chart of Accounts. However, considering our own circumstances and the technical capability of smaller municipalities, it is proposed that municipalities disclose audited and the current years' (2016/17) information using version 2.8 of the A schedule. In relation to the 2017/18 MTREF municipalities must use version 6.1 of the A schedule.



Budget process and submissions for the 2017/18 MTREF: The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.1) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft service delivery standards;
- the final integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- and schedules D, E and F specific for the entities.
- the budget locking certificate

The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purpose of expanding infrastructure and providing basic services to more households.

An annual budget set out certain service delivery levels and associated financial implications. Therefore, the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under-spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, annual budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

The effects of the economic challenges experienced over the past years still linger and continue to place pressure on the community at large which results in difficulties for the municipality in terms of revenue collection and this also impact on service delivery.

Despite this pressure on available resources, the 2017/18 budget gives priority to setting aside the financial means to build on the foundations that have been laid thus far in terms of providing service to and raising the living standards of the poorest individuals and communities at large. In line with National Government's focus on poverty alleviation, the budget is designed to extend further the Municipality's already extensive packages of services and financial relief measures for indigent communities, while still maintaining appropriate levels of service delivery to the community

Revenue estimates should be realistic, as the operating expenditure budget will be funded by the total revenue budget. It should also be reiterated that the



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council may not budget for a deficit and the budget should be fully funded

Maluti-A-Phofung municipality strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Projected Municipality growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate target;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services" user charges at levels which are reflective of these services" cost recovering nature;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's indigent policies to assist the poor and rendering of free basic services; and
- Tariff policies.

The following growth limits have been published by the National Treasury and it shall form the basis of increase in the tariff and related expenditure which should range between 5.6 to 6.4 per cent. (N.B. The 2018/19 actual is an estimate by NT)

FISCAL YEAR	2016/17 Estimates	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
Consumer Price Inflation (CPI)	6.4%	6.4%	5.7%	5.6%
Real GDP growth	0.5%	1.3%	2.0%	2.2%



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Table 1 CONSOLIDATED OVERVIEW OF THE 2017/18 MTREF

FS194 Maluti-a-Phofung - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	167 544	120 001	208 270	207 596	207 596	207 596	–	207 596	217 976	228 875
Service charges - electricity revenue	2	87 473	405 424	273 034	568 818	562 052	562 052	–	558 165	581 384	598 724
Service charges - water revenue	2	61 987	71 289	42 927	73 882	73 882	73 882	–	78 315	82 231	86 342
Service charges - sanitation revenue	2	31 329	49 226	54 593	39 224	39 224	39 224	–	41 577	43 656	45 839
Service charges - refuse revenue	2	21 688	27 700	32 826	32 860	32 860	32 860	–	34 832	36 573	38 402
Service charges - other											
Rental of facilities and equipment		968	850	1 064	2 058	1 054	1 054		1 284	1 348	1 415
Interest earned - external investments		2 805	759	2 036	2 400	2 900	2 900		2 900	3 045	3 197
Interest earned - outstanding debtors		23 362	16 771	24 926	26 500	30 000	30 000		31 800	33 390	35 060
Dividends received						–	–				
Fines, penalties and forfeits		843	880	37 662	6 055	6 010	6 010		14 012	14 713	15 448
Licences and permits						–	–				
Agency services						–	–				
Transfers and subsidies		362 667	394 689	454 043	564 907	564 266	564 266		503 632	541 963	577 986
Other revenue	2	(1 883)	448 256	19 233	103 565	99 662	99 662	–	236 765	252 164	243 493
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		758 782	1 535 845	1 150 612	1 627 865	1 619 506	1 619 506	–	1 710 878	1 808 443	1 874 781
Expenditure By Type											
Employee related costs	2	305 659	337 544	415 083	447 899	435 380	435 380	–	455 734	478 520	502 447
Remuneration of councillors		20 134	23 489	23 134	24 098	21 829	21 829		23 357	24 525	25 751
Debt impairment	3	183 813	(162 674)	255 270	70 050	70 000	70 000		270 000	283 500	297 675
Depreciation & asset impairment	2	215 649	279 224	279 489	50 000	52 866	52 866	–	285 000	299 005	313 110
Finance charges		5 769	4 206	20 685	6 000	4 500	4 500		4 000	4 200	4 410
Bulk purchases	2	264 583	426 541	675 051	400 838	244 982	244 982	–	608 750	639 778	651 332
Other materials	8	86 348	466 701	103 010	71 220	118 197	118 197		94 680	99 414	104 385
Contracted services		84 669	66 105	68 145	87 140	126 621	126 621	–	82 143	86 250	90 563
Transfers and subsidies		–	–	–	105 000	109 000	109 000	–	115 540	121 317	127 383
Other expenditure	4, 5	219 612	425 501	346 939	293 219	352 131	352 131	–	306 675	319 119	334 974
Loss on disposal of PPE			6 256	663							
Total Expenditure		1 386 237	1 872 893	2 187 470	1 555 465	1 535 506	1 535 506	–	2 245 878	2 355 628	2 452 030
Surplus/(Deficit)		(627 454)	(337 048)	(1 036 858)	72 400	84 000	84 000	–	(535 000)	(547 185)	(577 249)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		282 849	206 474	186 197	185 520	182 520	182 520		215 732	245 695	246 210
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(344 605)	(130 574)	(850 661)	257 920	266 520	266 520	–	(319 268)	(301 490)	(331 039)
Taxation											
Surplus/(Deficit) after taxation		(344 605)	(130 574)	(850 661)	257 920	266 520	266 520	–	(319 268)	(301 490)	(331 039)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(344 605)	(130 574)	(850 661)	257 920	266 520	266 520	–	(319 268)	(301 490)	(331 039)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(344 605)	(130 574)	(850 661)	257 920	266 520	266 520	–	(319 268)	(301 490)	(331 039)



1.3.1. FINANCIAL OVERVIEW OF THE CONSOLIDATED ANNUAL BUDGET

1.3.1.1 TOTAL CONSOLIDATED OPERATING ANNUAL BUDGET

The **projected annual revenue** amounts to **R1, 710,877,937** (R1.711 billion) for the 2017/18 financial year, which represents an increase of R91 million which is (6%) more than the approved Adjusted Budget for 2016/17. For the 2018/19 and 2019/20 financial years the annual budgeted revenue amounts to R1,808,442,815 (R1.8 billion) which represents an increase of R98 million (6%) and R1,874,780,414 (R1.9 billion) which represents an increase of R66 million (4%) respectively. The total consolidated annual **operating expenditure** budget for the 2017/18 financial year amounts to **R2, 245, 877, 937** (R2.245 billion), which represents an increase of R710 million more than the approved adjusted budget for 2016/17. For the 2018/2019 and 2019/20 financial years the proposed annual operating expenditure budgets amounts are R2, 355, 627, 815 (R2.355 billion) and R2,452,029,664 (R2.452) billion respectively, which represent increases of R109 million or (5%) and R94 million or (4%) for the two outer years.

The **capital budget** of **R272, 432,000** (R272 million) for 2017/2018 is 2% more when compared to the 2016/2017 Adjustment budget. This is due to the increase of WSIG to R50 million as on the DORA (2017/2018), municipalities are however compelled to enforce credit control for positive cash flows to can carry out own funding projects to its community. The capital programme increases to R320 million in 2018/19 and a further increase to R321 million for 2019/20 which represents an increase of 17% and 0% respectively. A substantial portion of the capital budget will be funded from the capital grants and the balance will be funded from internally generated funds and the Equitable Share. This internal funding projects depend highly on the municipality's collections and only the projects that have already started are budgeted under own source.

The table indicates the operating deficit of R535 million which is caused by the provision for non-cash items (depreciation and debt impairment).

The table below is a consolidated overview of the proposed 2017/18 Medium – term Revenue and Expenditure Framework:

Description	Outcomes 2015/16	Adjusted Budget 2016/17	MTREF		
			Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
	R'000	R'000	R'000	R'000	R'000
Operating Revenue	1 150 613	1 619 506	1 710 878	1 808 443	1 874 780
Operating Expenditure	2 187 470	1 535 506	2 245 878	2 355 628	2 452 030
Surplus/-Deficit	-1 036 857	84 000	-535 000	-547 185	-577 250
Capital Expenditure	244 766	266 520	272 432	319 795	321 310



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1.3.1.2 CONSOLIDATED REVENUE BY SOURCE OF FUNDING

Table 2 Summary of revenue classified by main revenue source

Description	Past performance	Current Year	Medium Term Revenue & Expenditure Framework		
	Outcomes 2015/16	Adjusted Budget 2016/17	Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
Property rates	208 269 730	207 596 000	207 596 000	217 975 800	228 874 590
Service charges - electricity	273 034 194	562 052 273	558 165 343	581 384 260	598 723 622
Service charges - water	42 926 528	73 882 000	78 314 920	82 230 666	86 342 200
Service charges - sanitation	54 592 760	39 224 000	41 577 440	43 656 312	45 839 127
Service charges - refuse	32 826 308	32 860 000	34 831 600	36 573 180	38 401 839
Income received by the entity (for water & sanitation)	-	77 172 905	92 376 256	100 556 000	84 304 259
Rental of facilities and equipment	1 063 565	1 053 500	1 283 720	1 347 906	1 415 301
Interest earned - external investments	2 035 720	2 900 000	2 900 000	3 045 000	3 197 250
Interest earned - outstanding debtors	24 925 867	30 000 000	31 800 000	33 390 000	35 059 500
Fines	37 661 859	6 010 000	14 012 000	14 712 600	15 448 230
Transfers recognised - operational	454 043 000	564 266 000	503 632 000	541 963 000	577 986 000
Other revenue	19 232 957	22 489 100	144 388 658	151 608 091	159 188 496
Total Revenue	1 150 612 488	1 619 505 778	1 710 877 937	1 808 442 815	1 874 780 414



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Table 3 Percentage growth in revenue by main revenue Source

Description	Past performance		Current Year		MTREF					
	Audited Outcomes 2015/16		Adjusted Budget 2016/17		Budget Year 2017/18		Budget Year+1 2018/19		Budget Year+2 2019/20	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	208 270	18%	207 596	13%	207 596	12%	217 976	12%	228 875	12%
Service charges - electricity	273 034	24%	562 052	35%	558 165	33%	581 384	32%	598 724	32%
Service charges - water	42 927	4%	73 882	5%	78 315	5%	82 231	5%	86 342	5%
Service charges - sanitation	54 593	5%	39 224	2%	41 577	2%	43 656	2%	45 839	2%
Service charges - refuse	32 826	3%	32 860	2%	34 832	2%	36 573	2%	38 402	2%
Income received by the entity (for water & sewer)	-	0%	77 173	5%	92 377	5%	100 556	6%	84 304	4%
Rental of facilities and equipment	1 064	0%	1 054	0%	1 284	0%	1 348	0%	1 415	0%
Interest earned - external investments	2 036	0%	2 900	0%	2 900	0%	3 045	0%	3 197	0%
Interest earned - outstanding debtors	24 926	2%	30 000	2%	31 800	2%	33 390	2%	35 060	2%
Fines	37 662	3%	6 010	0%	14 012	1%	14 713	1%	15 448	1%
Transfers recognised - operational	454 044	39%	564 266	35%	503 632	29%	541 963	30%	577 986	31%
Other revenue	19 233	2%	22 489	1%	144 388	8%	151 608	8%	159 188	8%
TOTAL OPERATING REVENUE	1 150 615	100%	1 619 506	100%	1 710 878	100%	1 808 443	100%	1 874 780	100%

1.3.1.3 PROPERTY RATES

The municipality is in a process of transferring private properties that are still under the municipal name to rightful owners; sites that are being developed; formalisation of rural areas & the introduction of flat rate intended to be implemented in 2018/2019 which will improve collection from rates & taxes. This source of revenue constitutes 12% of the total proposed revenue and it forms part of core functions of the municipality revenue base. It didn't increase because many processes affecting rates and taxes are still in progress.

1.3.1.4 ELECTRICITY REVENUE

The estimation for **electricity revenue** has decreased by R3, 8 million from the Adjustment budget. This source of revenue constitutes 33% of the total operating revenue. Owing to the increases in Eskom's bulk tariffs, it is clearly not possible to fund all these necessary upgrades through increases in the municipality electricity tariff since the resultant tariff increase would be unaffordable for the consumers, however the municipality has invested on the revenue enhancement strategies to control tempers, illegal connections and distribution losses.

An installation of the Automatic Meter Reading System (AMR) smart meters on most businesses has been done. Disconnections have started with the residential consumers. Educational road shows have been conducted through the wards in trying to bring back the culture of paying services.



1.3.1.5 WATER & SANITATION REVENUE

These services constitute 5% and 2% of the total operating revenue respectively. The Municipality was experiencing pipe bursts because of the limited capacity to accommodate the growing population. Some big pipes have been bought by the Municipality and are currently being installed. Water by-laws have been communicated through the community during Budget road shows which was intended to enhance knowledge regarding dos and don'ts of the two services

1.3.1.6 INCOME RECEIVED BY THE ENTITY (SERVICE CHARGES- WATER AND SANITATION)

Income received by the Entity constitutes 5% of the total proposed revenue. The billing for all municipal services is run in the Municipality and the collection thereof is paid into the Municipality's bank account, the Entity then bills the Municipality for all cash received for water and sanitation on a monthly basis. **Note should be taken that water and sanitation are the responsibility of Maluti-A-Phofung Water Entity.**

1.3.1.7 REFUSE REMOVAL REVENUE

This source of revenue constitutes 2% of our proposed revenue. Two trucks are currently leased in order to improve the provision of sanitation service and service delivery.

1.3.1.8 GOVERNMENT GRANTS AND SUBSIDIES

This category constitutes 29% of our total operating income and the grants and subsidies consist of the following- see a table below: The equitable share allocations supplement municipalities' own revenues for the provision of basic services to poor households.

Table 4 Operating Transfers and Grant Receipts (as per DoRA)

Description	Adjusted Budget 2016/17	MTREF Allocation		
		Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
OPERATING GRANTS	R'000	R'000	R'000	R'000
Equitable Share- LGES	453 456	493 768	537 563	573 326
Finance Management - Grant - LGFMG (MSCOA implementation)	1 810	2 145	2 400	2 660
Expanded Public Works Programme Integrated Grant (EPWPIG)		5 219	-	-
Municipal Support Programme (from Provincial)		2 500	2 000	2 000
Total Operating Grants	455 266	503 632	541 963	577 986



1.3.1.9 INTEREST EARNED ON EXTERNAL INVESTMENTS

The estimate for **interest earned on external investments** constitutes 0% of the proposed total revenue and it has remained stable when compared to the adjusted budget of 2016/2017. This depends on Municipality's cash flow.

1.3.1.10 INTEREST EARNED ON OUTSTANDING DEBTORS

The estimate for **interest earned on outstanding debtors** increased by 2% from the 2016/17 adjustment budget, interest is not charged on government accounts, 11% of our outstanding debts are from government accounts, 10% from business, 55% from residential, 11% from FDC, 8% from indigents as at 28th February 2017. Note should be taken that non-payment is still a challenge but the Municipality has extended the enforcement of credit control to residential consumers.

1.3.1.11 FINES

The Municipality has introduced the traffic fines management systems through a service provider and is in the process of increasing the installation of CCTV cameras

1.3.1.12 OTHER REVENUE

This group includes revenue generated through services provided to the community, i.e. building plan fees, water and electricity connection fees, fines, transport fees, dumping fees, rent of facilities, etc. and this constitutes 8% of our total Revenue. The transfers to MAP Water are also included in this category

1.4 CONSOLIDATED OPERATING REVENUE FRAMEWORK

1.4.1. PROPOSED TARIFF SETTING

Detailed Proposed tariffs for the 2017/18 financial year are attached to the budget document on

Annexure 3, however the summary of the proposed increase is as follows:

Table 5 summary of proposed tariffs

Description	Average Increase
Rates and Taxes	0%
Electricity	1,88%
Water	6,40%
Refuse	6,40%
Sanitation	6,40%
General Tariffs	6,40%
Community Services	6,40%
Cemetery	6,40%
Advertising	6,40%



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1.4.1 Rates and Taxes Tariff

There is no proposed increase on the Property Rates tariff for 2017/18 financial year because the new valuation roll was implemented as from the 1st of July 2015, the following tariffs will apply:

Table 6 Property rates Comparison

PROPERTY RATES AND TAXES TARIFFS						
Category	2017/2018 PROPOSED					
	PROPOSED 2017/2018	Rate per Rand	Rebate %	Rebate Value per Rand	Rate Payable per Rand	Tariff Codes
RESIDENTIAL PROPERTY						
Market value (developed)	0,0076	0,3802	98%	0,3726	0,0076	VA0001
Market value (undeveloped)	0,0380	0,3802	90%	0,3422	0,0380	VA0002
Indigent	0,0000	0,3802	100%	0,3802	0,0000	VA0003
Old Age / Pensioners 100% Rebate on first R200 000 of the market value (Rebate on first R110 000 of market value is granted) (20% rebate will be granted on the full payment made in full before 30 September 2017 for residential only)	0,0000	0,3802	98%	0,3726	0,0076	VA0001
BUSINESS						
Market value (developed)	0,0380	0,7604	95%	0,7224	0,0380	VA0004
Market value (undeveloped)	0,0760	0,7604	90%	0,6844	0,0760	VA0005
STATE OWNED PROPERTY						
Market value (developed)	0,0655	0,0851	23,00%	0,0196	0,0655	VA0025
Market value (undeveloped)	0,0655	0,0851	23,00%	0,0196	0,0655	VA0024

National Treasury's MFMA Circular No.51 deals inter alia with the implementation of Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on the 1 July 2009 and prescribe the rate ratio for the non-residential categories, public services infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the past budgets processes.

The following stipulations in the Property Rates Policy are highlighted:

The first R110 000 of the market value of a property used for residential purposes is excluded from rate-able value in addition to this 20% rebate will be granted to residential rate payers who will pay their rates account before the 30th of September 2017. 100 per cent rebate will be granted to registered indigents and on the 1st R200 000 of the market value for Old age and state pensioners in terms of Indigent Policy. 100 per cent rebate will be granted to registered non- profit organisation. The rates tariffs will not change due to the new roll implemented in July 2015. The objections of the new roll were finalised in October 2016 which led to a decrease of 50% bill on National Public Works Properties after market value adjustments

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth out-strips supply. The municipality is currently in the process of reviewing the current water tariff structure with the help from Cogta to ensure that water tariffs structures are cost reflective by 2018 and also to ensure that:

- Water tariffs are fully cost – reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Table 7 Comparison between current water charge and increase

WATER SERVICES TARIFFS			
SERVICE	APPROVED RATES 2016/2017 R	PROPOSED % INCREASE	PROPOSED RATES 2017/2018 R
TARIFF- 1			
MAP AREA - DOMESTIC USERS OLD AGE HOMES, HOSTELS AND FLATS			
0-6 kl	7,60	6,40%	8,09
7-12 kl	9,30	6,40%	9,90
13-25 kl	9,60	6,40%	10,21
26-40 kl	9,90	6,40%	10,53
41kl and upwards	11,00	6,40%	11,70
0-6kl free basic water for registered indigents only			
0-6 kl non inc municipal area, Plots & Farms	6,00	6,40%	6,38

1.4.3 Sanitation and impact of tariffs increases

A tariff increase of 6.4 per cent for sanitation from 1 July 2017 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (100 per cent subsidy) will be applicable to registered indigents; and



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- The total revenue of sanitation expected to be generated amounts to R41.5 million for the 2017/18 financial year

The following table compares the current and proposed final tariffs:

Table 8 Comparison between current Sanitation charge and increase

WASTE WATER MANAGEMENT (SANITATION) TARIFFS			
SERVICE	APPROVED RATES 2016/2017 R	PROPOSED % INCREASE	PROPOSED RATES 2017/2018 R
TARIFF -1			
DOMESTIC - BASIC CHARGE PER STAND			
Harrismith & Kestell: Domestic, Flats, Old age & Hostels (Residentials town)	133,50	6,40%	142,04
Residentials @ townships	80,50	6,40%	85,65
<i>Charged monthly</i>			

1.4.4 Electricity and impact of tariff increase

According to Circular 86 the tabling of the Eskom's 2017/18 bulk prices for the municipalities will be on the 5 April 2017. Therefore, municipalities are advised to use the NERSA's guided 0.31% bulk increase when compiling their budget. The municipality has applied for 1.88% tariff increase for the 2017/18 financial year.

The following table compares the current and approved tariffs



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Table 9 Comparison between current Electricity charge and increase

ELECTRICITY	kWh	APPROVED RATES 2016/2017 R	PROPOSED % INCREASE	PROPOSED RATES 2017/2018 R
Consumer Cost (Tariffs do not include VAT)				
TARIFF -A- DOMESTIC TARIFFS				
House, Flats, Old Age Homes, Hotels, Church Offices, Charity Organisations, Schools, Sport Grounds, Clubs, Agricultural Societies.				
BASIC LEVY - PER MONTH				
Single Phase (Conventional Meters)		189.95	1.88%	193.52
Three Phase (Conventional Meters)		189.95	1.88%	193.52
Rural tariff		194.61	1.88%	198.27
TARIFF PER UNIT				
DOMESTIC NON RURAL				
Conventional Normal meter-per kWh(single phase)summer tariff	(0-50kWh)	0.84	1.88%	0.86
	(51-350kWh)	1.08	1.88%	1.10
	(351-600kWh)	1.52	1.88%	1.55
	(>600kWh)	1.73	1.88%	1.76
Conventional Normal meter-per kWh(single phase)winter tariff	(0-50kWh)	0.88	1.88%	0.90
	(51-350kWh)	1.16	1.88%	1.18
	(351-600kWh)	1.68	1.88%	1.71
	(>600kWh)	1.78	1.88%	1.81
Basic charge conventional NON RURAL(single/three phase)		189.95	1.88%	193.52
Conventional Normal meter-per kWh(three phase)summer tariff	(0-50kWh)	0.88	1.88%	0.90
	(51-350kWh)	1.18	1.88%	1.20
	(351-600kWh)	1.69	1.88%	1.72
	(>600kWh)	1.78	1.88%	1.81
Conventional Normal meter-per kWh(three phase)winter tariff	(0-50kWh)	0.93	1.88%	0.95
	(51-350kWh)	1.35	1.88%	1.38
	(351-600kWh)	1.76	1.88%	1.79
	(>600kWh)	1.80	1.88%	1.83
Pre-paid meter - per kWh(Single phase&three phase)summer tariff	(0-50kWh)	0.85	1.88%	0.87
	(51-350kWh)	1.24	1.88%	1.26
	(351-600kWh)	1.66	1.88%	1.69
	(>600kWh)	1.78	1.88%	1.81
Pre-paid meter - per kWh(Single phase&three phase)winter tariff	(0-50kWh)	0.97	1.88%	0.99
	(51-350kWh)	1.35	1.88%	1.38
	(351-600kWh)	1.66	1.88%	1.69
	(>600kWh)	1.78	1.88%	1.81



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1.4.5 Waste management and impact of tariff increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

Considering the deficit, the municipality is doing a comprehensive investigation into the cost structure of solid waste function and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. An average of 6.4 per cent increase in the waste removal tariff is proposed from 1 July 2017

Table 10 Comparison between current Refuse removal charge and increase

WASTE MANAGEMENT TARIFFS			
SERVICE	APPROVED RATES 2016/2017 R	APPROVED % INCREASE	APPROVED RATES 2017/2018 R
<u>REFUSE REMOVAL</u>			
<u>TARIFF (excl. VAT)</u>			
<u>Residential:</u>	Per month for one refuse removal per week		Per month for one refuse removal per week
Residential properties	84,50	6,40%	89,91
Businesses, including businesses operated from residential dwellings (per container per month)	302,00	6,40%	321,33
Industrial Small 208	346,50	6,40%	368,68
Industrial Medium 600	745,50	6,40%	793,21
Industrial Larger 1800	2 235,00	6,40%	2 378,04
Building Waste - Self dumping	free		free
Government, Magistrate, Police	929,00	6,40%	988,46
Market value (undeveloped)			
Schools	474,00	6,40%	504,34
Hospitals	1 264,50	6,40%	1 345,43
Universities	3 347,00	6,40%	3 561,21
Colleges	1 365,00	6,40%	1 452,36
Dumping of refuse by Businesses & Industrial - self dumping per ton	40,50	6,40%	43,09
Flats (Per Units)	1 092,00	6,40%	1 161,89
Business	375,00	6,40%	399,00
Emptying of cages measured by m ³	21,00	6,40%	22,34
Taxi Ranks	1 343,00	6,40%	1 428,95
Garages	1 343,00	6,40%	1 428,95
FDC Complexes (Rural)	1 083,00	6,40%	1 152,31
Hostels and Restaurants	375,00	6,40%	399,00



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1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increase on large and small households, as well as an indigent household receiving free basic services.

Table 11 MBRR Table SA14- Household bills

FS194 Maluti-a-Phofung - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		275,50	275,50	392,67	392,67	392,67	392,67	–	392,67	416,23	441,20
Electricity: Basic levy		149,10	157,28	167,82	176,47	176,47	176,47	1,9%	179,79	190,57	202,01
Electricity: Consumption		1 155,40	1 224,72	1 298,21	1 401,00	1 401,00	1 401,00	1,9%	1 427,34	1 512,98	1 603,76
Water: Basic levy					–	–	–		–	–	–
Water: Consumption		296,80	314,61	333,48	354,64	354,64	354,64	6,4%	377,34	399,98	423,98
Sanitation		68,38	71,79	126,30	133,50	133,50	133,50	6,4%	142,04	150,57	159,60
Refuse removal		71,83	75,42	79,95	84,50	84,50	84,50	6,4%	89,91	95,30	101,02
Other											
sub-total		2 017,00	2 119,33	2 398,43	2 542,78	2 542,78	2 542,78	2,6%	2 609,09	2 765,63	2 931,57
VAT on Services											
Total large household bill:		2 017,00	2 119,33	2 398,43	2 542,78	2 542,78	2 542,78	2,6%	2 609,09	2 765,63	2 931,57
% increase/-decrease			5,1%	13,2%	6,0%	–	–	2,6%	6,0%	6,0%	6,0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		296,80	314,61	266,00	266,00	266,00	266,00	6,4%	283,02	300,01	318,01
Electricity: Basic levy		149,10	157,28	167,82	176,47	176,47	176,47	1,9%	179,79	190,57	202,01
Electricity: Consumption		498,20	528,09	559,78	598,31	598,31	598,31	1,9%	609,56	646,13	684,90
Water: Basic levy					–	–	–		–	–	–
Water: Consumption		180,20	191,01	202,47	214,54	214,54	214,54	6,4%	228,27	241,97	256,48
Sanitation		68,38	71,79	76,10	80,50	80,50	80,50	6,4%	85,65	90,79	96,24
Refuse removal		71,83	75,42	79,95	84,50	84,50	84,50	6,4%	89,91	95,30	101,02
Other											
sub-total		1 264,50	1 338,21	1 352,12	1 420,32	1 420,32	1 420,32	3,9%	1 476,20	1 564,77	1 658,66
VAT on Services											
Total small household bill:		1 264,50	1 338,21	1 352,12	1 420,32	1 420,32	1 420,32	3,9%	1 476,20	1 564,77	1 658,66
% increase/-decrease			5,8%	1,0%	5,0%	–	–	3,9%	3,9%	6,0%	6,0%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		464,50	487,73	42,50	324,00	324,00	324,00	1,9%	330,09	349,90	370,89
Water: Basic levy					–	–	–				
Water: Consumption		112,37	117,99	43,32	125,72	125,72	125,72	6,4%	133,77	141,79	150,30
Sanitation											
Refuse removal											
Other											
sub-total		576,87	605,72	85,82	449,72	449,72	449,72	3,1%	463,86	491,69	521,19
VAT on Services											
Total small household bill:		576,87	605,72	85,82	449,72	449,72	449,72	3,1%	463,86	491,69	521,19
% increase/-decrease			5,0%	(85,8%)	424,0%	–	–	3,1%	3,1%	6,0%	6,0%



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SOCIAL PACKAGE

The following social package will be provided during 2017/18 financial year.

Table 12 social packages

Service charges	Residents (non-indigents)	Indigents
Electricity	0	50kWh per month
Water	0	6kl per month
Refuse removal	0	100%
Sanitation	0	100%
Assessment rates	(Rebate on first 110 000 of market value is granted)	100%
Assessment rates	(20% rebate will be granted on the full payment made in full before 30 September 2017)	

1.5 CONSOLIDATED OPERATING EXPENDITURE FRAMEWORK

The expenditure section of the operating budget outlines out all the operating expenses and cash outflows to both internal and external sources.

In order to facilitate accountability departments must budget for all expenditure necessary for the performance of their respective functions.

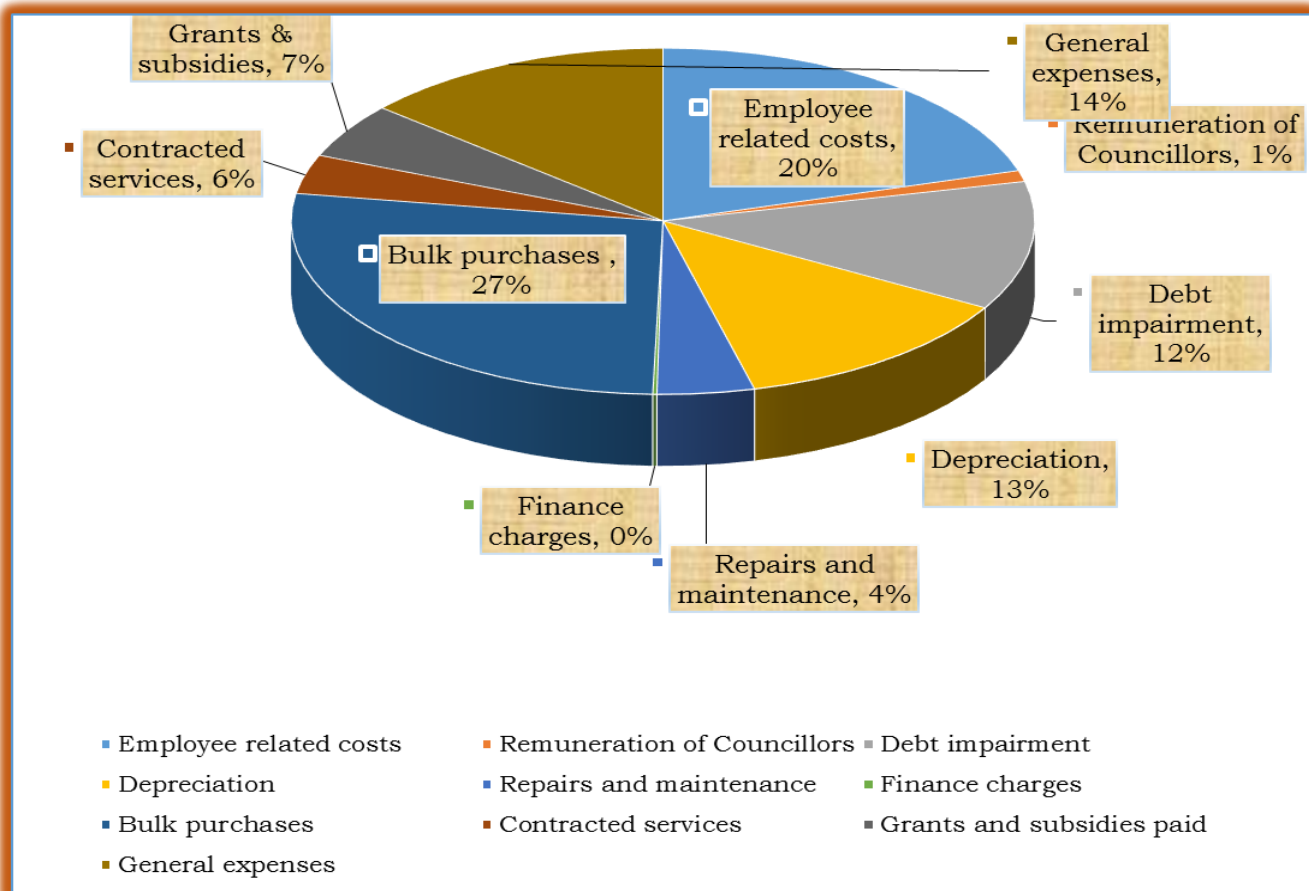
However, departments are required to address only the expenditure items directly manageable by the relevant department.

The zero-based types of analysis where all activities are open to in-depth review and scrutiny during the budget process provides an opportunity for the reallocation of resources to important priorities and avoid continuous growth in the budgeted expenditure of low priorities.

The expenditure budget consists of operational service delivery items and provides, inter alia, for the following:

Table13 Operating Expenditure by Standard classification item

Description	Pre- Audited Outcomes 2015/16	Adjusted Budget 2016/17	MTREF			
			Budget Year 2017/18	% in relation to 2017/18 budget year	Budget Year+1 2018/19	Budget Year+2 2019/20
	R'000	R'000	R'000		R'000	R'000
Employee related costs	415 083	435 380	455 734	20%	478 520	502 447
Remuneration of Councillors	23 134	21 829	23 357	1%	24 525	25 751
Debt impairment	255 270	70 000	270 000	12%	283 500	297 675
Depreciation	279 489	52 866	285 000	13%	299 005	313 110
Repairs and maintenance	103 010	118 197	94 680	4%	99 414	104 385
Finance charges	20 685	4 500	4 000	0%	4 200	4 410
Bulk purchases	675 051	244 982	608 749	27%	639 778	651 332
Contracted services	68 145	126 621	82 143	4%	86 250	90 563
Grants and subsidies paid	-	109 000	115 540	5%	121 317	127 383
General expenses	347 603	352 131	306 675	14%	319 119	334 974
TOTAL OPERATING EXPENDITURE BY TYPE	2 187 470	1 535 506	2 245 878	100%	2 355 628	2 452 030





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The following table gives a breakdown of the main expenditure categories for the 2017/18 financial year:

Table 14 Operating Expenditure By Vote

Expenditure By Vote	Outcomes 2015/16	Adjusted Budget 2016/17	MTREF			
			Budget Year 2017/18	% in relation to 2017/18 budget year	Budget Year+1 2018/19	Budget Year+2 2019/20
	R'000	R'000	R'000		R'000	R'000
Legislative Authority	148 304	126 637	97 574	4%	102 453	107 575
Office of the Municipal Manager	25 989	38 804	45 136	2%	47 393	49 762
Corporate Services	40 237	82 106	52 684	2%	55 318	58 084
Budget & Treasury Office	725 248	372 617	787 784	35%	826 548	867 776
Municipal Infrastructure	188 225	127 507	71 296	3%	74 860	78 603
Community Services	12 250	14 542	62 997	3%	66 146	69 454
Public Safety & Transport	88 515	110 239	102 953	5%	108 100	113 505
Sports, Parks, Arts & Culture	39 272	44 304	68 472	3%	71 895	75 490
LED & Tourism	17 718	36 389	37 073	2%	33 447	35 119
Human Settlements	12 182	13 528	11 286	1%	11 851	12 443
Spatial Development, Planning & Traditional Affairs	10 178	14 880	14 225	1%	14 936	15 683
IDP/PMS	-	-	7 991		8 391	8 810
Electricity Department	761 197	367 780	678 491	30%	712 416	748 036
Maluti Water (Pty) Ltd	118 158	186 173	207 916	9%	221 873	211 687
Total	2 187 473	1 535 506	2 245 878	100%	2 355 627	2 452 027

Table 15 MBRR Table A3 – Budgeted Financial Performance (revenue and Expenditure by municipal vote)

FS194 Maluti-a-Phofung - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		187	306	571	1 000	600	600	500	525	551
Vote 4 - Budget & Treasury Office		895 673	974 031	700 893	900 895	703 412	703 412	750 959	807 136	856 418
Vote 5 - Municipal Infrastructure		115 133	234 782	219 222	145 976	328 486	328 486	370 456	408 155	416 793
Vote 6 - Community Services		25	1 720	2 347	2 547	2 593	2 593	3 123	3 279	3 443
Vote 7 - Public Safety & Transport		2 647	1 965	38 084	7 112	6 663	6 663	14 992	15 741	16 528
Vote 8 - Sports, Parks, Arts & Culture		1 186	540	673	1 010	412	412	437	459	481
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	2 809	5 000	8 370	8 370	10 799	5 859	6 152
Vote 10 - Human Settlements		47	55	483	4 153	792	792	1 900	1 995	2 095
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		434	602	438	3 626	353	353	3 197	3 357	3 525
Vote 13 - Electricity Department		104 202	406 896	273 770	571 893	564 173	564 173	562 332	585 759	603 317
Vote 14 - Maluti Water (Pty) Ltd		(77 903)	121 420	97 519	170 173	186 173	186 173	207 916	221 873	211 687
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 041 632	1 742 319	1 336 810	1 813 385	1 802 026	1 802 026	1 926 610	2 054 138	2 120 990
Expenditure by Vote to be appropriated	1									
Vote 1 - Legislative Authority		38 514	49 767	148 304	122 616	126 637	126 637	97 574	102 453	107 575
Vote 2 - Office of the Municipal Manager		27 386	10 362	25 989	52 736	38 804	38 804	45 136	47 393	49 762
Vote 3 - Corporate Services		24 633	31 101	40 237	38 991	82 106	82 106	52 684	55 318	58 084
Vote 4 - Budget & Treasury Office		490 882	538 731	725 248	349 041	372 617	372 617	787 784	826 548	867 776
Vote 5 - Municipal Infrastructure		254 135	270 421	188 225	86 823	127 507	127 507	71 296	74 860	78 603
Vote 6 - Community Services		7 283	6 378	12 250	13 299	14 542	14 542	62 997	66 146	69 454
Vote 7 - Public Safety & Transport		48 089	62 842	88 515	104 239	110 239	110 239	102 953	108 100	113 505
Vote 8 - Sports, Parks, Arts & Culture		35 651	35 097	39 272	51 373	44 304	44 304	68 472	71 895	75 490
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		10 384	3 794	17 718	32 460	36 389	36 389	37 073	33 447	35 119
Vote 10 - Human Settlements		16 103	15 008	12 182	22 989	13 528	13 528	11 286	11 851	12 443
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	7 991	8 391	8 810
Vote 12 - Spatial Development, Planning & Traditional		7 941	7 789	10 178	13 880	14 880	14 880	14 225	14 936	15 683
Vote 13 - Electricity Department		339 967	726 459	761 197	496 845	367 780	367 780	678 491	712 416	748 036
Vote 14 - Maluti Water (Pty) Ltd		85 269	115 144	118 158	170 173	186 173	186 173	207 916	221 873	211 687
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 386 237	1 872 893	2 187 470	1 555 465	1 535 506	1 535 506	2 245 878	2 355 628	2 452 030
Surplus/(Deficit) for the year	2	(344 605)	(130 574)	(850 661)	257 920	266 520	266 520	(319 268)	(301 490)	(331 039)



1.5.1 EMPLOYEE RELATED COST AND REMUNERATION OF COUNCILLORS

- The allocation for employee related cost for 2017/18 amount to R455 million which equals to 20 per cent of the total operating expenditure, and R23 million for remuneration of Councillors allowances which constitutes 1% of the total operating expenditure. The increase in employee related costs is mainly due to the provision of salary increase in the next financial year (2017/18) which is based on the average 2017/18 *Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent* according to circular 86 and other critical vacant positions of which officials are acting on and budgeted for.

1.5.2 REPAIRS AND MAINTENANCE

Repairs and Maintenance constitutes 4% of our total annual operating expenditure. This category includes all labour, vehicle and material costs for the repair and maintenance of the assets of the Municipality. It includes both contracted services and services performed by employees. The total cost of asset maintenance is disclosed in this category to enable an evaluation of asset performance.

The repairs and maintenance of buildings, fixed assets, roads, grounds and open spaces, motors and pumps, network reticulations, substations, VIP toilets, storm water systems, traffic lights, vehicles, transformers and CCTV cameras will be included in this category. The deferral of maintenance expenditure on assets has the effect of increasing future maintenance costs and also has potential for reducing the economic life of the asset and hence the flow of economic benefits. Deferrals and the impact thereof should be indicated clearly in the operational plans.

In determining the budget under this section, the following should also be allowed for:

- New assets to be acquired during the course of the year and which would require maintenance.
- Capital assets to be sold or disposed of in the course of the year and which would not require further maintenance.

Departments must indicate their needs to maintain the assets of the Municipality in the repairs and maintenance master plans. Departments must also indicate in their operational plans their annual requirements and the deferred maintenance needs.

Table 16 Repairs and Maintenance per asset class

DESCRIPTION	ADJUSTMENT BUDGET 2016/17	PROPOSED FINAL BUDGET 2017/18	FINAL BUDGET 2018/19	FINAL BUDGET 2019/20
R & M - BUILDINGS	5 000 000	3 000 000	3 150 000	3 307 500
R & M - COMPUTER EQUIPMENT	840 000	800 000	840 000	882 000
R & M - EQUIPMENT & TOOLS	800 000	400 000	420 000	441 000
R & M - FENCING	1 000 000	-	-	-
R & M - FURNITURE	300 000	300 000	315 000	330 750
R & M - RESURFACING OF ROADS	40 000 000	33 400 000	35 070 000	36 823 500
R & M - GROUNDS & OPEN SPACES	300 000	1 000 000	1 050 000	1 102 500
R & M - MOTORS & PUMPS	300 000	330 000	346 500	363 825
R & M - NETWORK RETICULATION	20 000 000	15 000 000	15 750 000	16 537 500
R & M - MAINTANANCE OF VIP TOILETS	5 000 000	3 000 000	3 150 000	3 307 500
R & M - STREET LIGHTS	6 000 000	-	-	-
R & M - STREETS & STORMWATER (COOPERATIVES)	7 000 000	5 000 000	5 250 000	5 512 500
R & M - SUBSTATIONS	8 000 000	8 500 000	8 925 000	9 371 250
R & M - VEHICLES	4 000 000	3 500 000	3 675 000	3 858 750
R & M - TRANSFORMERS	5 000 000	6 800 000	7 140 000	7 497 000
R & M -TRAFFIC LIGHTS	2 000 000	-	-	-
R & M- CCTV CAMERAS	800 000	1 200 000	1 260 000	1 323 000
R & M- MAP WATER	11 857 016	12 449 867	13 072 360	13 725 978
TOTAL	118 197 016	94 679 867	99 413 860	104 384 553

1.5.3 BULK PURCHASES (ELECTRICITY & WATER)

Proposed Bulk purchases of electricity and water amounts to R608.7 million which constitutes 27% of the expenditure for 2017/2018 the allocation is directly informed by the tariff in purchases of bulk electricity from Eskom, actual payments to date in the current financial year and the amount to pay as per the repayment plan.

1.5.4 FINANCE CHARGES

Finance charges include the payment of interest and redemption on external loans by municipality. This constitutes 0% of the total annual operating expenditure for 2017/2018

1.5.5 CONTRACTED SERVICES

This includes services which the municipality lacks human capital and skills in, which have a period of more than one year and these services include amongst others electricity, financial system, landside fill, efficient refuse collection, streetlights, valuation roll, revenue enhancement project, indigent and Municipal building insurance. This constitutes 4% of the proposed expenditure for 2017/2018



1.5.6 GRANTS AND SUBSIDIES PAID

These are the grants that the municipality is paying over to the Entity on monthly basis equitably, it constitutes 5% of the proposed expenditure for 2017/2018

1.5.8 GENERAL EXPENSES

General expenses consist mainly of various line items relating to the daily operations of the municipality like, fuel cost, bank charges, consultant fees, training fees, electricity disconnection fees, stationary, printing and postage cost, telecommunication, various rentals, bursaries, special programmes, legal charges, departmental projects, FS wonderland fireworks, dipontsho etc.

1.5.9 PROVISION FOR DEBTS IMPAIRMENT AND DEPRECIATION AND ASSETS IMPAIRMENT

The **provision for debt impairment** was determined based on an annual collection rate (Current payment levels), revenue collection strategies in place and this expenditure is considered to be a non-cash flow item, it constitutes 12% of the total operating expenditure. This line item was decreased because of the revenue enhancement strategies in place and the constant enforcement of credit control policy that is now exercised even to residential consumers.

The **provision for depreciation and assets impairment** constitutes 13% of our total operating expenditure. It was increased from the adjustment budget in accordance with mSCOA requirements

1.6 CAPITAL BUDGET

The IDP process informs the budget and the preparation of the capital budget is based on the capital development priorities approved through the Intergrated Development Plan (IDP).

The capital budget consists of the non-operational needs of the community as well. The procurement of assets, with a lifespan of more than one year is classified as capital expenditure also.

1.6.1 CONSOLIDATED CAPITAL BY FUNDING SOURCE

The projected annual capital budget amounts to R272.4 million for the 2017/18 financial year, which represents an increase of R5.9 million (2%) above the approved adjustment capital budget for 2016/17.

The capital projects budgeted under owns funds includes only the projects which are already in the process.



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Table 17 Medium Term Capital funding

MTREF				
Description	Approved allocation for 2016/17	Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
CAPITAL GRANTS	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant (MIG)	154 870	165 732	175 695	186 210
Integrated Electrification Programme (INEG)	-	-	5 000	10 000
Water Services Infrastructure Grant (WSIG)	20 000	50 000	65 000	50 000
Expanded Public Works Incentive Programme (EPWIP)	7 650	-	-	-
Total National Grants	182 520	215 732	245 695	246 210
OWN FUNDS ALLOCATIONS				
Capital Fixed Assets	11 763	9 000	12 100	13 100
Capital projects	72 237	47 700	62 000	62 000
Total own funds allocation	84 000	56 700	74 100	75 100
TOTAL ASSETS	266 520	272 432	319 795	321 310



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Table 18 MBRR Table A5- Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

FS194 Maluti-a-Phofung - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		310 545	153 779	204 464	243 520	260 020	260 020	-	263 432	307 695	308 210
5.1 - Roads & Stormwater									-	-	-
5.2 - Municipal Infrastructure Administration		113 222	-	18 267	88 650	105 150	105 150		97 700	132 000	122 000
5.3 - Water-on behalf of the entity									-	-	-
5.4 - Waste water management- on behalf of the entity									-	-	-
5.5 - PMU (MIG Projects)		197 323	153 779	186 197	154 870	154 870	154 870		165 732	175 695	186 210
5.7 - Waste management									-	-	-
Capital multi-year expenditure sub-total		310 545	153 779	204 464	243 520	260 020	260 020	-	263 432	307 695	308 210
Capital expenditure - Municipal Vote											
Single-year expenditure appropriation	2										
Vote 2 - Office of the Municipal Manager		480	781	221	5 500	4 950	4 950	-	2 000	2 000	2 000
2.1 - Municipal Manager Administration											
2.2 - Information Technology		480	781	221	5 500	4 950	4 950		2 000	2 000	2 000
Vote 3 - Corporate Services		-	-	-	500	500	500	-	500	600	600
3.1 - Auxillary / administration											
3.2 - Human Resources					500	500	500		500	600	600
3.4 - Legal services											
Vote 4 - Budget & Treasury Office		1 752	808	194	-	-	-	-	-	-	-
4.3 - Financial Accounting		1 752	808	194							
Vote 5 - Municipal Infrastructure		-	-	-	-	-	-	-	5 000	8 000	9 000
5.1 - Roads & Stormwater											
5.2 - Municipal Infrastructure Administration									5 000	8 000	9 000
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	-	7 800	1 050	1 050	-	1 500	1 500	1 500
7.1 - Disaster Management											
7.2 - Traffic Control					2 000	1 050	1 050		1 500	1 500	1 500
7.3 - Fire & emergency services											
7.4 - Public Safety & Transport					5 800	-	-				
7.6 - Safety & Security											
Vote 10 - Human Settlements		-	-	-	600	-	-	-	-	-	-
10.1 - Housing Services											
10.2 - Council Building & Estates					600	-	-				
Capital single-year expenditure sub-total		2 232	1 590	415	14 400	6 500	6 500	-	9 000	12 100	13 100
Total Capital Expenditure		312 777	155 369	204 879	257 920	266 520	266 520	-	272 432	319 795	321 310



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Table 19 -List of Capital Project for 2017/18

PROJECTS FROM MIG GRANT	TOWN	WARD NO	PROPOSED BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20
Phuthaditjhaba / QwaQwa: Intermodal/New taxi facility- Phase 1	Phuthaditjhaba	27	12 608 043	4 220 509	4 431 534
Intabazwe / Harrismith: New Commuter infrastructure facility	Intabazwe	22	1 604 756	-	-
PMU Establishment	Project management		8 342 150	8 843 650	9 285 833
Kestell (Tlholong): 5km New paved roads phase 5	Tlholong	3	1 452 500	-	-
Maluti-a-Phofung Phuthaditjhaba: Paving of Roads 14.5km- Phase 3	Phuthaditjhaba	27	1 164 350	-	-
Disaster Park: Paving of 4.5km roads - Phase 3	Disaster Park	34	2 219 600	-	-
Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections	Manguang, Naledi	12 & 17	1 100 000	-	-
Intabazwe Stadium	Intabazwe	22	16 401 668	4 487 697	4 712 081
Maluti-a-Phofung: Fencing and infrastructure at all cemeteries (Phase 1 C)	Bluegumbosch, Tshiamo, Tlholong	34, 1 and 3	1 249 900	-	-
Bluegumbosch: New indoor Sport and Recreational Facility	Bluegumbosch	34	10 470 950	1 376 460	1 445 283
Tshiamo B: Paving of 6km roads - Phase 2B	Tshiamo B	1	1 179 495	-	-
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections	Bolata, Phameng	12 & 35	1 477 200	-	-
Harrismith / Intabazwe Ext. 3: Sewer Outfall Line and Rising Main	Intabazwe Ext 3	5	9 824 093	5 675 907	5 959 702
Wilge: Construction of a 4 ML Reservoir	Wilgepark Harrismith	6	500 000.00	7 447 994.23	7 820 394
Tshiamo B: Construction of Paved Roads Phase 3	Tshiamo B	1	7 500 000	17 750 000	18 637 500
Namahadi construction of Paved road and stormwater: QwaQwa rural phase 2	Namahadi	18	13 875 000	13 625 000	14 306 250
Intabazwe/Harrismith establishment of fire station	Harrismith	22	6 923 701	10 076 299	10 580 114
Phuthaditjhaba Upgrading of Town hall	Phuthaditjhaba	29	5 642 652	8 357 348	8 775 215
Monontsha:Construction of footbridge	Monontsha; Bolata; Paballong	9; 11; 13	5 104 293	7 895 707	8 290 492
Tshiamo B: New Commuter Facility	Tshiamo B	1	5 876 891	17 722 012	18 608 112
Kestell/ Tlholong New Paved road Phase 6	Kestell	3	2 706 483	7 293 517	7 658 193
Maluti A Phofung high mast light 4 towns phase 2		6; 22	3 100 000	7 900 000	8 295 000
Tlholong: New Taxi Facility	Tlholong	3	2 923 833	7 526 698	7 903 033
Construction of sewer network for Namahadi(Harankopane)	Namahadi	26	3 000 000	5 500 000	5 775 000
Intabazwe Paving of 4,5km roads - Phase 3	Intabazwe	4	5 500 000	6 000 000	6 300 000
Intabazwe Ext. 3: Construction of Waterborne Sewer Network	Intabazwe	5	3 000 000	7 857 000	8 249 850
Bluegumbosch: Refurbishment of Sewer Line	Bluegumbosch	34	5 255 035	10 744 966	11 282 214
Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters	Intabazwe	5	8 127 788	1 214 946	1 275 694
Construction of Manguang sewer network	Manguang	17	9 601 619	9 109 382	11 295 101
Kgotson: Construction of Sewer Network	Lusaka	30	2 500 000	4 069 909	4 273 405
Thabong: Construction of Sewer Network	Lusaka	30	5 500 000	1 000 000	1 050 000
TOTAL PROJECTS FROM MIG GRANT			165 732 000	175 695 000	186 210 000



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

PROJECTS FROM OTHER SOURCES OF FUNDING	TOWN	WARD NO	PROPOSED BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20
Integrated National Electrification Programme (municipal) grant			-	5 000 000	10 000 000
Water Services Infrastructure Grant (WSIG)			50 000 000	65 000 000	50 000 000
TOTAL PROJECTS FROM OTHER SOURCES OF FUNDING			50 000 000	70 000 000	60 000 000

PROJECTS FROM OWN FUNDS	TOWN	WARD NO	PROPOSED BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20
Sewerage connection Lusaka	Lusaka	30 and 24	4 000 000	5 000 000	5 000 000
Motbang street - Rebuilt	Phuthaditjhaba	27	5 000 000	5 000 000	5 000 000
Maluti Contractor Development		25	20 000 000	21 000 000	21 000 000
Water Tanks (Jojo)		All wards	200 000	-	-
Turfontein / Makeneng Road phase 2	Turfontein	16	3 000 000	5 000 000	5 000 000
Construction of Bridge (SANRAL)	Harrismith	22	5 000 000	-	-
VIP toilets project	Still to be determined		500 000	-	-
MIG counterfunding	PMU Projects		500 000	-	-
B-strong Electrification	Bolata	14	3 000 000	3 000 000	3 000 000
Kgabisi Electrification	Tebang	32	3 000 000	3 000 000	3 000 000
MAP Transformers		All wards	3 500 000	-	-
TOTAL PROJECTS FROM OWN FUNDS			47 700 000	62 000 000	62 000 000

FIXED ASSETS	PROPOSED BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20
Computer & equipment	1 500 000	1 000 000	1 000 000
Equipment/tools/off. Machines	500 000	1 000 000	1 000 000
Furniture & fittings	500 000	600 000	600 000
Communication systems	1 000 000	1 000 000	1 000 000
Cctv cameras	500 000	500 000	500 000
Plant & Machinery	5 000 000	8 000 000	9 000 000
TOTAL FIXED ASSETS	9 000 000	12 100 000	13 100 000
TOTAL OWN SOURCE PROJECTS AND FIXED ASSETS	56 700 000	74 100 000	75 100 000
TOTAL CAPITAL PROJECTS	272 432 000	319 795 000	321 310 000

1.7 PROPOSED ANNUAL BUDGET TABLES -PARENT MUNICIPALITY

The following tables present the Municipality's main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables indicate operating income and expenditure budget for 2017/18 and two outer years.



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 20 MBRR Table A1 – Budget summary

FS194 Maluti-a-Phofung - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	167 544	120 001	208 270	207 596	207 596	207 596	–	207 596	217 976	228 875
Service charges	202 476	556 963	403 380	714 784	708 018	708 018	–	712 889	743 845	769 307
Investment revenue	2 805	1 116	2 036	2 400	2 900	2 900	–	2 900	3 045	3 197
Transfers recognised - operational	362 667	403 189	454 043	459 907	455 266	455 266	–	503 632	541 963	577 986
Other own revenue	101 193	465 568	82 753	73 005	59 553	59 553	–	75 944	79 741	83 728
Total Revenue (excluding capital transfers and contributions)	836 685	1 546 837	1 150 481	1 457 692	1 433 333	1 433 333	–	1 502 962	1 586 570	1 663 093
Employee costs	230 229	256 577	316 215	336 890	325 978	325 978	–	343 185	360 345	378 362
Remuneration of councillors	20 134	23 489	22 908	24 098	21 829	21 829	–	23 357	24 525	25 751
Depreciation & asset impairment	215 649	278 171	278 694	50 000	50 000	50 000	–	280 100	294 105	308 810
Finance charges	5 769	3 985	4 479	6 000	4 500	4 500	–	4 000	4 200	4 410
Materials and bulk purchases	336 768	913 542	807 657	445 970	336 340	336 340	–	661 430	694 492	729 227
Transfers and grants	80 000	100 222	95 000	105 000	109 000	109 000	–	115 540	121 317	127 383
Other expenditure	492 419	312 903	640 804	417 334	501 685	501 685	–	610 349	634 762	666 400
Total Expenditure	1 380 967	1 888 890	2 165 756	1 385 292	1 349 333	1 349 333	–	2 037 962	2 133 745	2 240 343
Surplus/(Deficit)	(544 282)	(342 053)	(1 015 275)	72 400	84 000	84 000	–	(535 000)	(547 175)	(577 249)
Transfers and subsidies - capital (monetary allocation)	282 849	206 474	186 197	185 520	182 520	182 520	–	215 732	245 695	246 210
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	–	(319 268)	(301 480)	(331 039)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	–	(319 268)	(301 480)	(331 039)
Capital expenditure & funds sources										
Capital expenditure	310 341	204 269	206 867	257 920	266 520	266 520	–	272 432	319 795	321 310
Transfers recognised - capital	282 849	204 269	186 197	185 520	182 520	182 520	–	215 732	245 695	246 210
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	27 492	–	20 670	72 400	84 000	84 000	–	56 700	74 100	75 100
Total sources of capital funds	310 341	204 269	206 867	257 920	266 520	266 520	–	272 432	319 795	321 310
Financial position										
Total current assets	326 803	714 205	569 698	934 276	934 276	934 276	–	896 039	941 291	989 054
Total non current assets	3 223 334	3 058 709	2 983 861	3 187 345	3 187 345	3 187 345	–	3 133 054	3 289 707	3 454 193
Total current liabilities	652 347	1 058 011	1 664 430	892 307	892 307	892 307	–	1 744 655	1 831 888	1 923 482
Total non current liabilities	62 281	74 897	78 200	54 316	50 816	50 816	–	81 630	83 361	84 779
Community wealth/Equity	2 835 509	2 640 007	1 810 929	3 174 997	3 178 497	3 178 497	–	2 202 809	2 315 749	2 434 986
Cash flows										
Net cash from (used) operating	286 783	207 756	210 001	383 970	393 886	393 886	–	251 321	262 106	299 523
Net cash from (used) investing	(296 013)	(189 570)	(200 818)	(251 920)	(266 520)	(266 520)	–	(245 189)	(258 938)	(296 071)
Net cash from (used) financing	(2 321)	(16 630)	(3 057)	(6 000)	(4 500)	(4 500)	–	(5 000)	(2 500)	(2 500)
Cash/cash equivalents at the year end	(43 870)	(42 313)	12 842	129 050	125 707	125 707	–	4 382	5 051	6 003
Cash backing/surplus reconciliation										
Cash and investments available	(43 870)	6 729	7 895	7 065	7 065	7 065	–	4 382	5 051	6 003
Application of cash and investments	507 524	586 616	1 116 560	(79 753)	(88 550)	(88 550)	–	1 174 869	1 232 728	1 258 333
Balance - surplus (shortfall)	(551 394)	(579 887)	(1 108 664)	86 818	95 615	95 615	–	(1 170 486)	(1 227 676)	(1 252 330)
Asset management										
Asset register summary (WDV)	3 221 988	3 057 917	2 980 846	3 186 965	3 186 965	3 186 965	3 129 888	3 129 888	3 286 383	3 450 702
Depreciation	215 649	278 171	278 694	50 000	50 000	50 000	280 100	280 100	294 105	308 810
Renewal of Existing Assets	3 920	8 995	14 785	6 300	3 906	3 906	3 906	12 566	18 434	19 355
Repairs and Maintenance	72 185	461 075	97 751	65 970	106 340	106 340	82 230	82 230	86 342	90 659
Free services										
Cost of Free Basic Services provided	59 751	57 927	45 873	48 254	30 855	30 855	42 558	42 558	44 686	46 920
Revenue cost of free services provided	616 242	715 927	3 444 860	2 697 827	2 852 700	2 852 700	2 852 700	2 852 700	2 995 335	3 145 102
Households below minimum service level										
Water:	4	4	4	4	4	4	4	4	4	4
Sanitation/sewage:	5	4	4	4	4	4	4	4	4	5
Energy:	48	45	42	42	42	39	36	36	36	38
Refuse:	74	73	73	73	73	73	73	73	73	77



Explanatory notes to MBRR Table A1- Budget Summary

- Table A1 represents a high-level summary of the Municipality's budget, providing a view that includes all major components of i.e. (Operating, Capital expenditure, financial position, cash flow, and MFMA funding compliance)
 - The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.
 - Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flows Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
- 1) The municipality's financial performance shows a deficit over 2017/18 MTREF.
This is due to the non-cash items which is Depreciation and Debt Impairment
 - 2) The municipality's capital expenditure is funded from the following
 - Transfers recognised- capital as reflected on the Financial Performance
 - Internally generated funds which will be financed from property tax and service charges.
 - 3) The municipality's cash backing/surplus reconciliation over the 2017/18 MTREF shows a negative trend, this is due to the outstanding creditors, which amongst other includes the Bulk purchase.

TABLE 21

FS194 Maluti-a-Phofung - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		833 487	974 944	701 536	901 895	704 024	704 024	751 459	807 661	856 969
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		833 487	974 944	701 536	901 895	704 024	704 024	751 459	807 661	856 969
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 586	2 589	3 707	7 962	4 097	4 097	6 022	6 323	6 639
Community and social services		30	1 775	2 482	2 720	2 823	2 823	3 373	3 541	3 718
Sport and recreation		1 186	540	673	1 010	412	412	437	459	481
Public safety		371	274	205	252	312	312	563	591	620
Housing		-	-	348	3 980	550	550	1 650	1 733	1 819
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2 898	219 761	224 510	10 496	189 224	189 224	238 577	264 202	265 643
Planning and development		607	218 068	186 631	3 626	182 873	182 873	218 929	249 052	249 735
Road transport		2 291	1 693	37 880	6 870	6 351	6 351	14 429	15 150	15 908
Environmental protection		-	-	-	-	-	-	5 219	-	-
<i>Trading services</i>		281 564	556 017	404 116	717 859	710 139	710 139	717 056	748 219	773 900
Energy sources		165 696	406 896	273 770	571 893	564 173	564 173	562 332	585 759	603 317
Water management		52 634	72 194	42 927	73 882	73 882	73 882	78 315	82 231	86 342
Waste water management		41 546	49 226	54 593	39 224	39 224	39 224	41 577	43 656	45 839
Waste management		21 688	27 700	32 826	32 860	32 860	32 860	34 832	36 573	38 402
<i>Other</i>	4	-	-	2 809	5 000	8 370	8 370	5 580	5 859	6 152
Total Revenue - Functional	2	1 119 534	1 753 310	1 336 679	1 643 212	1 615 853	1 615 853	1 718 694	1 832 265	1 909 303
Expenditure - Functional										
<i>Governance and administration</i>		581 415	632 006	946 742	570 864	628 190	628 190	1 012 299	1 062 289	1 115 304
Executive and council		61 820	55 465	170 617	159 978	146 212	146 212	113 285	118 950	124 897
Finance and administration		519 595	576 541	776 125	410 886	481 978	481 978	894 516	938 617	985 448
Internal audit		-	-	-	-	-	-	4 498	4 723	4 959
<i>Community and public safety</i>		86 457	77 108	142 581	154 608	151 441	151 441	147 974	155 373	163 142
Community and social services		6 553	14 049	18 847	21 668	14 757	14 757	22 754	23 892	25 087
Sport and recreation		35 651	35 097	39 272	51 373	44 304	44 304	68 472	71 895	75 490
Public safety		38 581	22 670	75 018	74 427	87 093	87 093	50 413	52 934	55 581
Housing		5 671	5 293	9 444	7 140	5 287	5 287	6 335	6 652	6 985
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		323 963	402 803	264 746	101 817	132 094	132 094	151 867	153 981	161 680
Planning and development		21 949	9 534	16 877	29 880	28 004	28 004	37 098	38 953	40 900
Road transport		302 014	393 269	247 869	71 937	104 090	104 090	94 436	99 158	104 116
Environmental protection		-	-	-	-	-	-	20 333	15 870	16 663
<i>Trading services</i>		382 929	774 924	804 528	541 543	414 343	414 343	723 963	760 151	798 169
Energy sources		339 967	726 459	761 197	496 845	367 780	367 780	678 491	712 406	748 036
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		42 962	48 464	43 331	44 698	46 563	46 563	45 472	47 745	50 132
<i>Other</i>	4	6 204	2 049	7 159	16 460	23 265	23 265	1 858	1 951	2 049
Total Expenditure - Functional	3	1 380 967	1 888 890	2 165 756	1 385 292	1 349 333	1 349 333	2 037 962	2 133 745	2 240 343
Surplus/(Deficit) for the year		(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	(319 268)	(301 480)	(331 039)

**Explanatory notes to MBRR Table A2- Budgeted Financial Performance
(Revenue and expenditure by standard classification)**

- Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.
- This table highlights that the revenues for Trading services exceed their expenditure and this is absorbed within the rates revenue and other service charges, however the municipality will undertake a project to compile a transparent tariff structure to explore ways of improving efficiencies.
- Other functions that show a deficit when comparing revenue and expenditure are financed from rates and taxes revenues and other revenues sources reflected under the Budget and treasury office.



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 22

FS194 Maluti-a-Phofung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		187	306	571	1 000	600	600	500	525	551
Vote 4 - Budget & Treasury Office		895 673	974 031	700 893	900 895	703 412	703 412	750 959	807 136	856 418
Vote 5 - Municipal Infrastructure		115 133	367 194	316 610	145 976	328 486	328 486	370 456	408 155	416 793
Vote 6 - Community Services		25	1 720	2 347	2 547	2 593	2 593	3 123	3 279	3 443
Vote 7 - Public Safety & Transport		2 647	1 965	38 084	7 112	6 663	6 663	14 992	15 741	16 528
Vote 8 - Sports, Parks, Arts & Culture		1 186	540	673	1 010	412	412	437	459	481
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	2 809	5 000	8 370	8 370	10 799	5 859	6 152
Vote 10 - Human Settlements		47	55	483	4 153	792	792	1 900	1 995	2 095
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		434	602	438	3 626	353	353	3 197	3 357	3 525
Vote 13 - Electricity Department		104 202	406 896	273 770	571 893	564 173	564 173	562 332	585 759	603 317
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 119 534	1 753 310	1 336 679	1 643 212	1 615 853	1 615 853	1 718 694	1 832 265	1 909 303
Expenditure by Vote to be appropriated	1									
Vote 1 - Legislative Authority		38 514	49 767	148 304	122 616	126 637	126 637	97 574	102 453	107 575
Vote 2 - Office of the Municipal Manager		27 386	10 362	25 989	52 736	38 804	38 804	45 136	47 393	49 762
Vote 3 - Corporate Services		24 633	31 101	40 237	38 991	82 106	82 106	52 684	55 318	58 084
Vote 4 - Budget & Treasury Office		490 882	538 731	732 989	349 041	372 617	372 617	787 784	826 548	867 776
Vote 5 - Municipal Infrastructure		334 135	401 562	276 928	86 823	127 507	127 507	71 296	74 860	78 603
Vote 6 - Community Services		7 283	6 378	12 250	13 299	14 542	14 542	62 997	66 146	69 454
Vote 7 - Public Safety & Transport		48 089	62 842	88 515	104 239	110 239	110 239	102 953	108 100	113 505
Vote 8 - Sports, Parks, Arts & Culture		35 651	35 097	39 272	51 373	44 304	44 304	68 472	71 895	75 490
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		10 384	3 794	17 718	32 460	36 389	36 389	37 073	33 447	35 119
Vote 10 - Human Settlements		16 103	15 008	12 182	22 989	13 528	13 528	11 286	11 851	12 443
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	7 991	8 391	8 810
Vote 12 - Spatial Development, Planning & Traditional		7 941	7 789	10 178	13 880	14 880	14 880	14 225	14 936	15 683
Vote 13 - Electricity Department		339 967	726 459	761 197	496 845	367 780	367 780	678 491	712 406	748 036
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 380 967	1 888 890	2 165 756	1 385 292	1 349 333	1 349 333	2 037 962	2 133 745	2 240 343
Surplus/(Deficit) for the year	2	(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	(319 268)	(301 480)	(331 039)

Explanatory notes to MBRR Table A3- Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.
- The Water and sanitation is responsibility of the Municipal entity



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 23

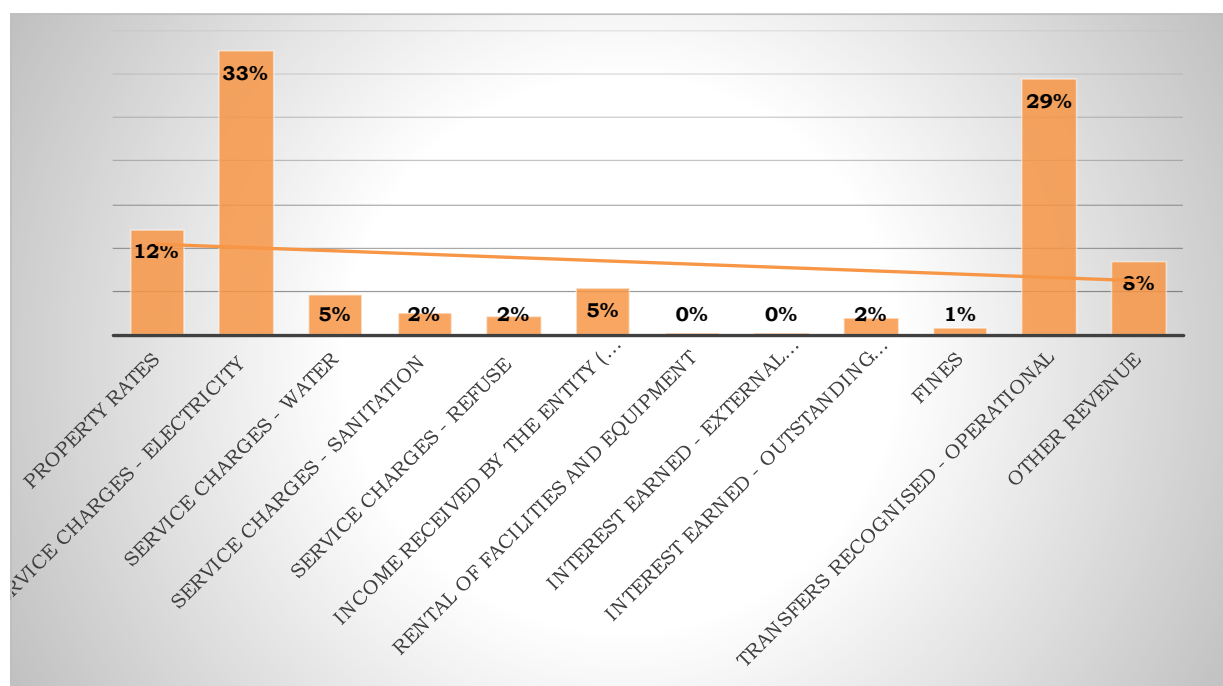
FS194 Maluti-a-Phofung - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	167 544	120 001	208 270	207 596	207 596	207 596	-	207 596	217 976	228 875
Service charges - electricity revenue	2	87 473	408 748	273 034	568 818	562 052	562 052	-	558 165	581 384	598 724
Service charges - water revenue	2	61 987	83 542	59 953	73 882	73 882	73 882	-	78 315	82 231	86 342
Service charges - sanitation revenue	2	31 329	36 972	37 566	39 224	39 224	39 224	-	41 577	43 656	45 839
Service charges - refuse revenue	2	21 688	27 700	32 826	32 860	32 860	32 860	-	34 832	36 573	38 402
Service charges - other											
Rental of facilities and equipment		968	850	1 064	2 058	1 054	1 054		1 284	1 348	1 415
Interest earned - external investments		2 805	1 116	2 036	2 400	2 900	2 900		2 900	3 045	3 197
Interest earned - outstanding debtors		23 362	16 771	24 926	26 500	30 000	30 000		31 800	33 390	35 060
Dividends received			-			-	-				
Fines, penalties and forfeits		843	880	37 662	6 055	6 010	6 010		14 012	14 713	15 448
Licences and permits			-			-	-				
Agency services			-			-	-				
Transfers and subsidies		362 667	403 189	454 043	459 907	455 266	455 266		503 632	541 963	577 986
Other revenue	2	76 020	447 067	19 102	38 392	22 489	22 489	-	28 848	30 291	31 805
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		836 685	1 546 837	1 150 481	1 457 692	1 433 333	1 433 333	-	1 502 962	1 586 570	1 663 093
Expenditure By Type											
Employee related costs	2	230 229	256 577	316 215	336 890	325 978	325 978	-	343 185	360 345	378 362
Remuneration of councillors		20 134	23 489	22 908	24 098	21 829	21 829		23 357	24 525	25 751
Debt impairment	3	183 813	(162 674)	254 821	70 050	70 000	70 000		270 000	283 500	297 675
Depreciation & asset impairment	2	215 649	278 171	278 694	50 000	50 000	50 000	-	280 100	294 105	308 810
Finance charges		5 769	3 985	4 479	6 000	4 500	4 500		4 000	4 200	4 410
Bulk purchases	2	264 583	452 467	709 906	380 000	230 000	230 000	-	579 200	608 150	638 568
Other materials	8	72 185	461 075	97 751	65 970	106 340	106 340		82 230	86 342	90 659
Contracted services		79 388	60 778	62 139	87 140	126 621	126 621	-	82 143	86 250	90 563
Transfers and subsidies		80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383
Other expenditure	4, 5	229 218	408 543	323 181	260 144	305 064	305 064	-	258 206	265 012	278 162
Loss on disposal of PPE			6 256	663							
Total Expenditure		1 380 967	1 888 890	2 165 756	1 385 292	1 349 333	1 349 333	-	2 037 962	2 133 745	2 240 343
Surplus/(Deficit)		(544 282)	(342 053)	(1 015 275)	72 400	84 000	84 000	-	(535 000)	(547 175)	(577 249)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		282 849	206 474	186 197	185 520	182 520	182 520		215 732	245 695	246 210
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	-	(319 268)	(301 480)	(331 039)
Taxation											
Surplus/(Deficit) after taxation		(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	-	(319 268)	(301 480)	(331 039)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	-	(319 268)	(301 480)	(331 039)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	-	(319 268)	(301 480)	(331 039)

Explanatory notes to Table A4-Budgeted Financial Performance (revenue and expenditure)

- Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. The projected annual revenue as reflected in this table amounts to R1, 502,961,681 (R1.503 billion) for the 2017/18 financial year, which represents an increase of R69.6 million (5%) more than the Adjustment budget for 2016/17. For the 2018/19 and 2019/20 financial years the annual budgeted expenditure amounts to R1,586,569,815 (R1.586 billion) which represents an increase of R83.6 million (6%) and R1,663,093,305 (R1.663 billion) which represents an increase of R76.5 million (5%) respectively.
- Revenue to be generated from Property Rates amounts to R207, 596 million in the 2017/18 financial year and increases to R228, 874 million by 2019/20. This revenue represents 14% of the operating revenue base of the municipality and therefore remains significant funding source for the municipality.
- Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the municipality totalling to R712,889 million for the 2017/18 financial year and increasing to R743,844 million and R769,307 million in 2018/19 and 2019/2020 respectively. For the 2017/18 financial year, service charges are 47% of the total anticipated revenue.
- Transfers Recognised- Operating includes the equitable share and the finance management grant from national government. The grants receipts from National government seem to be more by 11 per cent in 2017/2018 as compared to 2016/2017, the allocations increase by 8% for 2018/19 and 7% for the 2019/20 outer years.

The following graph illustrates the major revenue items per type.





Explanatory notes to Table A4-Budgeted Financial Performance (revenue and expenditure)

- Bulk purchases have increased from R230 million from the adjustment budget 2016/2017 to R579 million in 2017/2018 and escalating to R638 million by 2019/2020. This change is attributed to substantial increase in the cost of bulk electricity from Eskom.
- Employee related costs is also the main cost driver within the Municipality's operating Expenditure, i.e. from R366,542 million to R404,113 million a provision has been made as per circular 86 and other critical vacant positions.
- Other Expenditure consist mainly of various line items relating to daily operations of the municipality like, fuel cost, bank charges, consultant fees, audit fees, telecommunication, printing and postage cost, bursaries, special programmes, departmental projects, FS wonderland fireworks, dipontsho, etc.
- Table A4 indicates a deficit of R535 million before the Capital transfer which is due to the provisions made for the non-cash items (Depreciation and debt impairment).



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 24

FS194 Maluti-a-Phofung - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		308 109	202 679	206 452	243 520	260 020	260 020	-	263 432	307 695	308 210
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	308 109	202 679	206 452	243 520	260 020	260 020	-	263 432	307 695	308 210
Single-year expenditure to be appropriated	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		480	781	221	5 500	4 950	4 950	-	2 000	2 000	2 000
Vote 3 - Corporate Services		-	-	-	500	500	500	-	500	600	600
Vote 4 - Budget & Treasury Office		1 752	808	194	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		-	-	-	-	-	-	-	5 000	8 000	9 000
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	-	7 800	1 050	1 050	-	1 500	1 500	1 500
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	600	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 232	1 590	415	14 400	6 500	6 500	-	9 000	12 100	13 100
Total Capital Expenditure - Vote		310 341	204 269	206 867	257 920	266 520	266 520	-	272 432	319 795	321 310
Capital Expenditure - Functional											
Governance and administration		8 622	1 590	415	6 000	5 450	5 450	-	7 500	10 600	11 600
Executive and council		8 142	781	221	6 000	5 450	5 450	-	7 500	10 600	11 600
Finance and administration		480	808	194	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		21 743	32 367	51 002	73 787	66 671	66 671	-	85 202	76 267	78 955
Community and social services		11 036	12 810	13 040	30 594	30 384	30 384	-	56 830	68 903	71 298
Sport and recreation		10 707	19 557	37 962	34 793	35 237	35 237	-	26 873	5 864	6 157
Public safety		-	-	-	7 800	1 050	1 050	-	1 500	1 500	1 500
Housing		-	-	-	600	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		96 800	26 571	62 226	86 782	101 939	101 939	-	54 202	77 564	80 192
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		96 800	26 571	62 226	86 782	101 939	101 939	-	54 202	77 564	80 192
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		180 833	94 841	91 235	77 608	81 717	81 717	-	117 186	146 520	141 276
Energy sources		34 539	38 994	37 340	10 048	14 576	14 576	-	12 600	18 900	24 295
Water management		76 583	31 548	32 620	50 168	44 999	44 999	-	61 405	73 663	59 096
Waste water management		69 711	24 299	21 276	17 391	22 142	22 142	-	43 181	53 957	57 885
Waste management		-	-	-	-	-	-	-	-	-	-
Other		2 343	48 900	1 988	13 744	10 744	10 744	-	8 342	8 844	9 286
Total Capital Expenditure - Functional	3	310 341	204 269	206 867	257 920	266 520	266 520	-	272 432	319 795	321 310
Funded by:											
National Government		282 849	204 269	186 197	185 520	182 520	182 520	-	215 732	245 695	246 210
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	282 849	204 269	186 197	185 520	182 520	182 520	-	215 732	245 695	246 210
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		27 492		20 670	72 400	84 000	84 000	-	56 700	74 100	75 100
Total Capital Funding	7	310 341	204 269	206 867	257 920	266 520	266 520	-	272 432	319 795	321 310



Explanatory Note to Table A5- Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of capital programme in relation to capital expenditure by municipal vote (multi-year and single- year appropriations) capital expenditure by standard classification, and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The municipality has allocated multi-year appropriations amounting to R272,432 million in 2017/2018 increasing to R319,795 million and R321,310 million in 2018/2019 and 2019/2020 respectively.
3. The Capital Budget is funded by allocations made to the Municipality by National Government. The capital transfers allocations for 2017/2018 total to R215, 732 million increased to R245, 695 million and R246, 210 million in 2018/2019 and 2019/2020. The allocations for the internally generated fund is R56.7 million for 2017/18 which includes projects which are already in progress.



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TABLE 25

FS194 Maluti-a-Phofung - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash		3 900	6 729	7 895	7 065	7 065	7 065		4 382	5 051	6 003
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	107 379	520 053	467 871	679 950	679 950	679 950	-	793 029	832 680	874 314
Other debtors		14 268	183 933	91 153	243 529	243 529	243 529		95 711	100 496	105 521
Current portion of long-term receivables		9 101	1 214	645	1 274	1 274	1 274		678	712	747
Inventory	2	192 154	2 277	2 133	2 457	2 457	2 457		2 240	2 352	2 469
Total current assets		326 803	714 205	569 698	934 276	934 276	934 276	-	896 039	941 291	989 054
Non current assets											
Long-term receivables		710	361	2 560	379	379	379		2 688	2 823	2 964
Investments		-	-	-	-	-	-		-	-	-
Investment property		42 520	69 579	68 347	44 271	44 271	44 271		71 765	75 353	79 120
Investment in Associate		0	0	0					0	0	0
Property, plant and equipment	3	3 179 466	2 986 706	2 911 220	3 142 692	3 142 692	3 142 692	-	3 056 781	3 209 620	3 370 101
Agricultural		-	-	-					-	-	-
Biological		-	-	-					-	-	-
Intangible		1	1 632	1 279	2	2	2		1 343	1 410	1 481
Other non-current assets		636	430	455					477	501	526
Total non current assets		3 223 334	3 058 709	2 983 861	3 187 345	3 187 345	3 187 345	-	3 133 054	3 289 707	3 454 193
TOTAL ASSETS		3 550 137	3 772 914	3 553 559	4 121 620	4 121 620	4 121 620	-	4 029 093	4 230 998	4 443 247
LIABILITIES											
Current liabilities											
Bank overdraft	1	47 770	-	-							
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		11 733	11 721	11 732	12 307	12 307	12 307		12 319	12 935	13 582
Trade and other payables	4	592 845	1 046 290	1 652 698	880 000	880 000	880 000	-	1 732 336	1 818 953	1 909 900
Provisions											
Total current liabilities		652 347	1 058 011	1 664 430	892 307	892 307	892 307	-	1 744 655	1 831 888	1 923 482
Non current liabilities											
Borrowing		13 762	9 077	7 123	8 000	4 500	4 500	-	7 000	5 000	2 500
Provisions		48 519	65 819	71 076	46 316	46 316	46 316	-	74 630	78 361	82 279
Total non current liabilities		62 281	74 897	78 200	54 316	50 816	50 816	-	81 630	83 361	84 779
TOTAL LIABILITIES		714 628	1 132 907	1 742 630	946 623	943 123	943 123	-	1 826 285	1 915 249	2 008 261
NET ASSETS	5	2 835 509	2 640 007	1 810 929	3 174 997	3 178 497	3 178 497	-	2 202 809	2 315 749	2 434 986
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		2 835 509	2 640 007	1 810 929	3 174 997	3 178 497	3 178 497		2 202 809	2 315 749	2 434 986
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	2 835 509	2 640 007	1 810 929	3 174 997	3 178 497	3 178 497	-	2 202 809	2 315 749	2 434 986

Explanatory notes to Table A6 - Budgeted Financial Position

1. The budgeted Statement of Financial Position of the Municipality has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.



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2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 which can be found on page 106) are provided with details of the major components of items such as:

- ☐ Call Investment Deposits
- ☐ Consumer Debtors
- ☐ Property, Plant and Equipment
- ☐ Trade and Other Payables
- ☐ Non-Current Provisions
- ☐ Changes in Net Assets
- ☐ Reserves

3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the Municipality and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

TABLE 26

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			57 165	120 001	90 183	207 596	207 596	207 596		134 937	152 583	171 656
Service charges			202 476	345 730	412 464	714 784	708 018	708 018		458 497	476 215	519 239
Other revenue			6 594	279 913	160 290	111 678	106 726	106 726		29 697	23 542	26 380
Government - operating		1	362 667	402 495	455 111	564 907	564 266	564 266		503 632	541 963	577 986
Government - capital		1	282 040	206 474	186 197	185 520	182 520	182 520		215 732	238 873	247 717
Interest			2 805	17 530	26 962	28 900	32 900	32 900		23 425	26 266	29 332
Dividends							-	-		-	-	-
Payments												
Suppliers and employees			(621 194)	(1 160 402)	(1 116 728)	(1 324 415)	(1 299 140)	(1 299 140)		(995 059)	(1 071 818)	(1 140 994)
Finance charges			(5 769)	(3 985)	(4 479)		-	-		(4 000)	(4 200)	(4 410)
Transfers and Grants		1	-	-	-	(105 000)	(109 000)	(109 000)		(115 540)	(121 317)	(127 383)
NET CASH FROM/(USED) OPERATING ACTIVITIES			286 783	207 756	210 001	383 970	393 886	393 886	-	251 321	262 106	299 523
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			5 351	6 022	7 756	6 000	-	-		-	-	-
Decrease (Increase) in non-current debtors			-	-	-	-	-	-		-	-	-
Decrease (increase) other non-current receivables			8 977	8 236	(1 631)	-	-	-		-	-	-
Decrease (increase) in non-current investments			-	440	(77)	-	-	-		-	-	-
Payments												
Capital assets			(310 341)	(204 269)	(206 867)	(257 920)	(266 520)	(266 520)		(245 189)	(258 938)	(296 071)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(296 013)	(189 570)	(200 818)	(251 920)	(266 520)	(266 520)	-	(245 189)	(258 938)	(296 071)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-	-	-
Borrowing long term/refinancing										-	-	-
Increase (decrease) in consumer deposits										-	-	-
Payments												
Repayment of borrowing			(2 321)	(16 630)	(3 057)	(6 000)	(4 500)	(4 500)		(5 000)	(2 500)	(2 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(2 321)	(16 630)	(3 057)	(6 000)	(4 500)	(4 500)	-	(5 000)	(2 500)	(2 500)
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:		2	(11 551)	1 557	6 126	126 050	122 866	122 866	-	1 132	669	952
Cash/cash equivalents at the year end:		2	(32 319)	(43 870)	6 717	3 000	2 841	2 841		3 250	4 382	5 051
			(43 870)	(42 313)	12 842	129 050	125 707	125 707	-	4 382	5 051	6 003

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the Municipality during the 2017/18 to 2019/20 MTREF.
2. The Municipality has embarked on an extensive debt collection process to boost cash levels it has appointed debt collectors and exercising strict credit control even to households to improve their collections. These initiatives and interventions with Provincial government, might translate the municipality into a positive cash position.
3. For the 2017/18 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term, with cash levels anticipated to be R4.3 million by 2017/18 and steadily increasing to R6 million by 2019/20.

TABLE 27

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	(43 870)	(42 313)	12 842	129 050	125 707	125 707	-	4 382	5 051	6 003
Other current investments > 90 days		(0)	49 042	(4 947)	(121 985)	(118 642)	(118 642)	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(43 870)	6 729	7 895	7 065	7 065	7 065	-	4 382	5 051	6 003
Application of cash and investments											
Unspent conditional transfers		2 481	1 787	2 854	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	505 043	584 829	1 113 706	(79 753)	(88 550)	(88 550)	-	1 174 869	1 232 728	1 258 333
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		507 524	586 616	1 116 560	(79 753)	(88 550)	(88 550)	-	1 174 869	1 232 728	1 258 333
Surplus(shortfall)		(551 394)	(579 887)	(1 108 664)	86 818	95 615	95 615	-	(1 170 486)	(1 227 676)	(1 252 330)

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded"



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4. From the table it can be seen that for the Municipality experienced a shortfall net cash flow position for the period 2013/14 to 2015/16.
5. The MTREF Budget indicates the municipality's current position based on the previous year outcomes as can be seen on the table A8, which is as a result of the Trade and other payables, the current outstanding debtors less the provision made for bad debts.

TABLE 28

FS194 Maluti-a-Phofung - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	306 421	195 273	192 083	233 112	249 902	249 902	243 464	296 874	297 243
Roads Infrastructure		94 364	75 471	64 214	86 782	96 676	96 676	54 202	77 564	80 192
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		34 539	38 994	22 555	6 048	10 669	10 669	12 600	18 900	24 295
Water Supply Infrastructure		76 583	31 548	32 620	50 168	44 999	44 999	61 405	73 663	59 096
Sanitation Infrastructure		69 711	24 299	21 276	17 391	22 142	22 142	43 181	53 957	57 885
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		275 197	170 312	140 665	160 389	174 486	174 486	171 387	224 084	221 469
Community Facilities		-	10 878	13 040	30 294	30 384	30 384	44 263	50 469	51 943
Sport and Recreation Facilities		19 193	12 494	37 962	16 285	22 525	22 525	10 471	1 376	1 445
Community Assets		19 193	23 371	51 002	46 579	52 910	52 910	54 734	51 846	53 388
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		9 798	-	-	16 744	13 744	13 744	8 342	8 844	9 286
Housing		-	-	-	-	-	-	-	-	-
Other Assets		9 798	-	-	16 744	13 744	13 744	8 342	8 844	9 286
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	59	-	-	-	-	-	-
Intangible Assets		-	-	59	-	-	-	-	-	-
Computer Equipment		1 752	781	194	3 300	2 050	2 050	3 000	2 500	2 500
Furniture and Office Equipment		-	-	-	1 100	1 450	1 450	1 000	1 600	1 600
Machinery and Equipment		480	808	162	5 000	5 263	5 263	5 000	8 000	9 000
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-



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Total Renewal of Existing Assets	2	3 920	8 995	14 785	6 300	3 906	3 906	12 566	18 434	19 355
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	14 785	4 000	3 906	3 906	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	14 785	4 000	3 906	3 906	-	-	-
Community Facilities		3 920	1 932	-	2 300	-	-	12 566	18 434	19 355
Sport and Recreation Facilities		-	7 063	-	-	-	-	-	-	-
Community Assets		3 920	8 995	-	2 300	-	-	12 566	18 434	19 355
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	18 508	12 711	12 711	16 402	4 488	4 712
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	18 508	12 711	12 711	16 402	4 488	4 712
Community Assets		-	-	-	18 508	12 711	12 711	16 402	4 488	4 712
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	94 364	75 471	64 214	86 782	96 676	96 676	54 202	77 564	80 192
Roads Infrastructure		34 539	38 994	37 340	10 048	14 576	14 576	12 600	18 900	24 295
Storm water Infrastructure		76 583	31 548	32 620	50 168	44 999	44 999	61 405	73 663	59 096
Electrical Infrastructure		69 711	24 299	21 276	17 391	22 142	22 142	43 181	53 957	57 885
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		275 197	170 312	155 449	164 389	178 392	178 392	171 387	224 084	221 469
Community Facilities		3 920	12 810	13 040	32 594	30 384	30 384	56 830	68 903	71 298
Sport and Recreation Facilities		19 193	19 557	37 962	34 793	35 237	35 237	26 873	5 864	6 157
Community Assets		23 113	32 367	51 002	67 387	65 621	65 621	83 702	74 767	77 455
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		9 798	-	-	16 744	13 744	13 744	8 342	8 844	9 286
Housing		-	-	-	-	-	-	-	-	-
Other Assets		9 798	-	-	16 744	13 744	13 744	8 342	8 844	9 286
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	59	-	-	-	-	-	-
Intangible Assets		-	-	59	-	-	-	-	-	-
Computer Equipment		1 752	781	194	3 300	2 050	2 050	3 000	2 500	2 500
Furniture and Office Equipment		-	-	-	1 100	1 450	1 450	1 000	1 600	1 600
Machinery and Equipment		480	808	162	5 000	5 263	5 263	5 000	8 000	9 000
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		310 341	204 269	206 867	257 920	266 520	266 520	272 432	319 795	321 310



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ASSET REGISTER SUMMARY - PPE (WDV)		5									
Roads Infrastructure			510 756	633 022	683 175	253 534	253 534	253 534	717 334	753 200	790 860
Storm water Infrastructure											
Electrical Infrastructure			396 832	443 073	458 645	457 107	457 107	457 107	481 577	505 656	530 939
Water Supply Infrastructure			328 556	419 901	423 039	426 288	426 288	426 288	444 191	466 400	489 720
Sanitation Infrastructure			89 237	178 375	191 659	167 833	167 833	167 833	201 242	211 304	221 870
Solid Waste Infrastructure											
Rail Infrastructure											
Coastal Infrastructure											
Information and Communication Infrastructure			357 960	242 212	–	124 797	124 797	124 797	–	–	–
Infrastructure			1 683 342	1 916 583	1 756 518	1 429 559	1 429 559	1 429 559	1 844 344	1 936 562	2 033 390
Community Facilities			310 369	106 621	102 922	324 908	324 908	324 908	108 068	113 471	119 145
Sport and Recreation Facilities											
Community Assets			310 369	106 621	102 922	324 908	324 908	324 908	108 068	113 471	119 145
Heritage Assets											
Revenue Generating			42 520	69 579	68 347	44 271	44 271	44 271	71 765	75 353	79 120
Non-revenue Generating											
Investment properties			42 520	69 579	68 347	44 271	44 271	44 271	71 765	75 353	79 120
Operational Buildings			1 185 755	963 503	1 051 780	1 388 226	1 388 226	1 388 226	1 104 369	1 159 587	1 217 567
Housing					–						
Other Assets			1 185 755	963 503	1 051 780	1 388 226	1 388 226	1 388 226	1 104 369	1 159 587	1 217 567
Biological or Cultivated Assets											
Servitudes											
Licences and Rights			1	1 632	1 279	2	2	2	1 343	1 410	1 481
Intangible Assets			1	1 632	1 279	2	2	2	1 343	1 410	1 481
Computer Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Libraries											
Zoo's, Marine and Non-biological Animals											
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	3 221 988	3 057 917	2 980 846	3 186 965	3 186 965	3 186 965	3 129 888	3 286 383	3 450 702
EXPENDITURE OTHER ITEMS											
Depreciation		7	215 649	278 171	278 694	50 000	50 000	50 000	280 100	294 105	308 810
Repairs and Maintenance by Asset Class		3	72 185	461 075	97 751	65 970	106 340	106 340	82 230	86 342	90 659
Roads Infrastructure			32 813	38 384	62 215	12 000	40 000	40 000	33 400	35 070	36 824
Storm water Infrastructure			–	–	–	5 000	7 000	7 000	5 000	5 250	5 513
Electrical Infrastructure			16 317	28 176	30 662	38 000	41 000	41 000	30 300	31 815	33 406
Water Supply Infrastructure			–	–	–	–	–	–	–	–	–
Sanitation Infrastructure			–	–	–	–	5 000	5 000	3 000	3 150	3 308
Solid Waste Infrastructure			–	–	–	–	–	–	–	–	–
Rail Infrastructure			–	–	–	–	–	–	–	–	–
Coastal Infrastructure			–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure			–	–	–	–	–	–	–	–	–
Infrastructure			49 130	66 560	92 877	55 000	93 000	93 000	71 700	75 285	79 049
Community Facilities			378	181	501	1 370	1 300	1 300	1 000	1 050	1 103
Sport and Recreation Facilities			–	–	–	–	–	–	–	–	–
Community Assets			378	181	501	1 370	1 300	1 300	1 000	1 050	1 103
Heritage Assets			–	–	–	–	–	–	–	–	–
Revenue Generating			–	–	–	–	–	–	–	–	–
Non-revenue Generating			–	–	–	–	–	–	–	–	–
Investment properties			–	–	–	–	–	–	–	–	–
Operational Buildings			18 476	391 516	584	5 330	5 300	5 300	3 000	3 150	3 308
Housing			–	–	–	–	–	–	–	–	–
Other Assets			18 476	391 516	584	5 330	5 300	5 300	3 000	3 150	3 308
Biological or Cultivated Assets			–	–	–	–	–	–	–	–	–
Servitudes			–	–	–	–	–	–	–	–	–
Licences and Rights			–	–	–	–	–	–	–	–	–
Intangible Assets			–	–	–	–	–	–	–	–	–
Computer Equipment			155	107	416	1 240	690	690	2 000	2 100	2 205
Furniture and Office Equipment			–	–	–	430	1 100	1 100	300	315	331
Machinery and Equipment			337	–	1	600	950	950	400	420	441
Transport Assets			3 709	2 711	3 372	2 000	4 000	4 000	3 830	4 022	4 223
Libraries			–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals			–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS			287 834	739 246	376 446	115 970	156 340	156 340	362 330	380 447	399 469
Renewal and upgrading of Existing Assets as % of total capex			1.3%	4.4%	7.1%	9.6%	6.2%	6.2%	10.6%	7.2%	7.5%
Renewal and upgrading of Existing Assets as % of deprecn			1.8%	3.2%	5.3%	49.6%	33.2%	33.2%	10.3%	7.8%	7.8%
R&M as a % of PPE			2.3%	15.4%	3.4%	2.1%	3.4%	3.4%	2.7%	2.7%	2.7%
Renewal and upgrading and R&M as a % of PPE			2.0%	15.0%	4.0%	3.0%	4.0%	4.0%	4.0%	3.0%	3.0%



Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. At this stage spending on repairs and maintenance cannot be reflected by asset class due to the misalignment of the existing asset classes with the plant maintenance asset classes on the financial system. To ensure compliance the Municipality will embark on an asset creation project which will be finalised over a couple of years.

TABLE 29

FS194 Maluti-a-Phofung - Table A10 Basic service delivery measurement

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets											
Water:											
Piped water inside dwelling	1		85 420	85 488	85 488	85 488	85 488	85 488	85 488	89 762	
Piped water inside yard (but not in dwelling)			10 881	10 890	10 890	10 890	10 890	10 890	10 890	11 435	
Using public tap (at least min.service level)	2		—	—	—	—	—	—	—	—	
Other water supply (at least min.service level)	4		—	—	—	—	—	—	—	—	
Minimum Service Level and Above sub-total			96 301	96 378	96 378	96 378	96 378	96 378	96 378	101 197	
Using public tap (< min.service level)	3		—	—	—	—	—	—	—	—	
Other water supply (< min.service level)	4		3 927	3 850	3 850	3 850	3 850	3 850	3 850	4 043	
No water supply			—	—	—	—	—	—	—	—	
Below Minimum Service Level sub-total			3 927	3 850	3 850	3 850	3 850	3 850	3 850	4 043	
Total number of households	5		100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 239	
Sanitation/sewerage:											
Flush toilet (connected to sewerage)			32 941	35 642	35 642	35 642	35 642	35 642	35 642	37 424	
Flush toilet (with septic tank)			2 607	2 633	2 633	2 633	2 633	2 633	2 633	2 765	
Chemical toilet			3 195	2 099	2 099	2 099	2 099	2 099	2 099	2 204	
Pit toilet (ventilated)			17 424	21 900	21 900	21 900	21 900	21 900	21 900	22 995	
Other toilet provisions (> min.service level)			38 949	33 600	33 600	33 600	33 600	33 600	33 600	35 280	
Minimum Service Level and Above sub-total			95 116	95 874	95 874	95 874	95 874	95 874	95 874	100 668	
Bucket toilet			715	—	—	—	—	—	—	—	
Other toilet provisions (< min.service level)			2 133	2 154	2 154	2 154	2 154	2 154	2 154	2 262	
No toilet provisions			2 264	2 200	2 200	2 200	2 200	2 200	2 200	2 310	
Below Minimum Service Level sub-total			5 112	4 354	4 354	4 354	4 354	4 354	4 354	4 572	
Total number of households	5		100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240	
Energy:											
Electricity (at least min.service level)			52 500	55 125	57 881	57 881	57 881	60 775	63 814	70 355	
Electricity - prepaid (min.service level)			—	—	—	—	—	—	—	—	
Minimum Service Level and Above sub-total			52 500	55 125	57 881	57 881	57 881	60 775	63 814	70 355	
Electricity (< min.service level)			—	—	—	—	—	—	—	—	
Electricity - prepaid (< min. service level)			—	—	—	—	—	—	—	—	
Other energy sources			47 728	45 103	42 347	42 347	39 453	36 414	36 414	38 235	
Below Minimum Service Level sub-total			47 728	45 103	42 347	42 347	39 453	36 414	36 414	38 235	
Total number of households	5		100 228	100 228	100 228	100 228	100 228	100 228	103 419	108 590	
Refuse:											
Removed at least once a week			26 567	26 833	26 833	26 833	26 833	26 833	26 833	28 174	
Minimum Service Level and Above sub-total			26 567	26 833	26 833	26 833	26 833	26 833	26 833	28 174	
Removed less frequently than once a week			491	496	496	496	496	496	496	521	
Using communal refuse dump			5 224	5 276	5 276	5 276	5 276	5 276	5 276	5 540	
Using own refuse dump			54 061	54 602	54 602	54 602	54 602	54 602	54 602	57 332	
Other rubbish disposal			5 576	5 632	5 632	5 632	5 632	5 632	5 632	5 913	
No rubbish disposal			8 309	7 390	7 390	7 390	7 390	7 390	7 390	7 760	
Below Minimum Service Level sub-total			73 661	73 396	73 396	73 396	73 396	73 396	73 396	77 065	
Total number of households	5		100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240	
Households receiving Free Basic Service											
Water (6 kilolitres per household per month)	7		6 847	5 706	36 955	36 955	36 955	38 803	38 803	38 803	
Sanitation (free minimum level service)			6 847	5 706	5 594	5 594	5 594	4 506	4 506	4 506	
Electricity/other energy (50kwh per household per month)			100 228	100 228	70 228	25 295	25 295	20 100	20 100	20 100	
Refuse (removed at least once a week)			6 847	5 706	5 594	5 594	5 594	4 506	4 506	4 506	
Cost of Free Basic Services provided - Formal Settlements (R'000)											
Water (6 kilolitres per indigent household per month)	8		3 183	2 798	20 222	20 222	10 000	10 000	22 602	23 732	
Sanitation (free sanitation service to indigent households)			5 618	4 916	5 108	7 183	7 183	4 603	4 833	5 074	
Electricity/other energy (50kwh per indigent household per month)			45 048	45 048	15 177	15 177	8 000	8 000	10 492	11 568	
Refuse (removed once a week for indigent households)			5 902	5 164	5 366	5 672	5 672	4 862	5 105	5 360	
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)											
Total cost of FBS provided			59 751	57 927	45 873	48 254	30 855	30 855	42 558	44 686	
Highest level of free service provided per household											
Property rates (R value threshold)			65 000	80 000	80 000	80 000	80 000	80 000	110 000	110 000	
Water (kilolitres per household per month)			6	6	6	6	6	6	6	6	
Sanitation (kilolitres per household per month)			—	—	—	—	—	—	—	—	
Sanitation (Rand per household per month)			68	72	101	107	107	107	114	121	
Electricity (kwh per household per month)			50	50	50	50	50	50	50	50	
Refuse (average litres per week)			100	100	100	106	106	106	113	120	
Revenue cost of subsidised services provided (R'000)											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	9		—	—	—	—	—	—	—	—	
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA			616 242	715 927	3 444 860	2 697 827	2 852 700	2 852 700	2 852 700	2 995 335	
Water (in excess of 6 kilolitres per indigent household per month)			—	—	—	—	—	—	—	—	
Sanitation (in excess of free sanitation service to indigent households)			—	—	—	—	—	—	—	—	
Electricity/other energy (in excess of 50 kwh per indigent household per month)			—	—	—	—	—	—	—	—	
Refuse (in excess of one removal a week for indigent households)			—	—	—	—	—	—	—	—	
Municipal Housing - rental rebates	6		—	—	—	—	—	—	—	—	
Housing - top structure subsidies			—	—	—	—	—	—	—	—	
Other			—	—	—	—	—	—	—	—	
Total revenue cost of subsidised services provided			616 242	715 927	3 444 860	2 697 827	2 852 700	2 852 700	2 852 700	2 995 335	
										3 145 102	

Explanatory notes to Table A10 – Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The Municipality is persistently striving to eradicate backlogs

PART 2: SUPPORTING DOCUMENTS

2.1 Overview of annual budget process

The MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget. The new National Treasury Budget Regulations gives further effect to this by prescribing that the mayor of a municipality must establish a budget steering committee to assist in discharging the mayor's budget preparation responsibilities.

The Budget Steering Committee was established consisting of the following:

- The Executive Mayor
- MMCs
- Chief Financial Officer
- Municipal Manager
- Directors
- Managers

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in ten months before the start of the new financial year (i.e. in August 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The IDP and Budget time schedule of the 2017/18 budget cycle was approved by Council on 30th of August 2016, 10 months before the start of the budget year in compliance with legislative directives. The Process Plan set the framework for further engagements with various stakeholders to ensure adoption of the 2017/18 IDP and Budget by the end of May 2017.

In line with the above requirements, the budget process for the 2017/18 MTREF period proceeded according to the following timeline:

January 2017: IDP road shows

19 January 2017: The council considered the 2016/17 Mid-year Performance Assessment Review

26 February 2017: The council approved the 2016/17 Adjustment Budget

30 March 2017: The Draft Budget for 2017/18 MTREF and Draft IDP for 2017/18 will be tabled Council for public consultation

04 April – 15 May 2017: Budget Road shows took place in 35 wards of MALUTI-A-PHOFUNG

21 April 2017 – Benchmarking process between the municipality and Provincial treasury



12 May 2017: Further engagements with Treasury

17&18 May 2017: Finalisation of the 2017/18 MTREF Budget by the budget steering committee taking into consideration comments received from the public, Treasury and other stakeholders.

30 May 2017: Tabling of the 2017/18 MTREF Budget and IDP to Council for consideration and approval

June 2017: Notifying the public of the approved 2017/18 IDP and Budget

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is a principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Engaging communities'/ward forums and sector organisations in obtaining their needs
- Compilation of departmental business plans including key performance indicators and targets
- Public participation process
- Compilation of the SDBIP
- The review of the performance management and monitoring processes
- Address community inputs and response to public inputs by line departments
- Tabling of draft IDP and Budget to Council

2.1.3 Financial Modelling and Key Planning Drivers

The municipality's MTREF model is annually reviewed to determine the most affordable level at which the municipality will be able to operate optimally. It sets out the economic context and assumptions that inform the compilation of the next three year's budget, in addition, sustainability forms the basis of the preparation of the operating and capital budgets.

The following key factors and planning strategies have informed the compilation of the 2017/18 MTREF:

- Credible collection rates based on the collection achievements to date, incorporating improved anticipated for selected revenue items
- The assumption of a 100% capital expenditure implementation rate
- The need for tariff increases versus the ability of the community to pay for services
- Cash flow management strategy

2.1.4 Community Consultation

In accordance with the MFMA, the Municipal Systems Act (Act 32 of 2000) the 2017/18 MTREF and its accompanying documentation will be made public in the local newspaper and municipal website for public knowledge after it is tabled before Council on the 30 May 2017. The documents will be published on the municipal website and hard copies will be made available at Libraries and Municipal Building. In addition, as legislated, the tabled budget documentation will be submitted in print and electronic formats to both Provincial and National treasuries after the budget was tabled before Council.

Ward councillors and ward committees were utilised to facilitate the community consultation process during the Budget road shows. The dates and venues were published on the local newspaper to invite the community and other stakeholders to participate and provide inputs for the 2017/18 Budget. Individual sessions were scheduled with Traditional Leaders, Business forums and non-profit organisations

The Budget Benchmarking Assessment between the Provincial Treasury and Municipality took place in April and May after the Draft Budget was tabled to Council.

The inputs received during the community consultation process were taken into consideration as part of the finalisation of 2017/18 MTREF.

2.2 Overview of alignment of annual budget with Integrated Development Plan

2.2.1 Municipality aligned to National, Provincial and District Alignment

Maluti-A-Phofung development needs to be aligned with the National Provincial and District initiatives to ensure optimal impact from the combined efforts of all tiers of Government. In this regard their five critical elements:

- Efficient and effective public services (Deliver more and better services in a caring and efficient manner)
- Municipalities' role in employment creation
- Shift resources to new priorities
- Move from debate to effective implementation and decisive action and
- Work in partnership with communities, labour and business to achieve our shared objectives

2.2.2 Key demographic, economic and other assumptions

1. Demographic and economic

The Maluti-A-Phofung area covers the greater Harrismith, Kestell Intabazwe and Phuthaditjhaba. The municipality of 35 wards and covers approximately 4 421 km² in extent. Phuthaditjhaba is urban Centre of Qwaqwa and serves as the administrative head offices of Maluti-A-Phofung Municipality, surrounding Phuthaditjhaba are rural villages of Qwaqwa established on tribal land administered by land affairs. Harrismith is a service centre for the



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surrounding rural areas and a trading belt serving the passing N3 which links the Gauteng and KwaZulu Natal provinces. Harrismith is surrounded by Tshiame located 12 km to the west and Intabazwe, which is located 1,5 km to the north. The town is an employment center for people living in Tshiame, Intabazwe and Qwaqwa.

Kestell is a service center for surrounding agricultural oriented rural area with Thlolong as the Township. Kestell is situated along the N5 road that links Harrismith with Bethlehem. The rural areas of Maluti-A-Phofung comprise commercial farms and major nature conservation centre such as Qwaqwa National Park, Platberg, Sterkfontein Dam and the Maluti Mountain Range. The area is not only tourism attraction, but also make a big contribution in generating gross agricultural income for the whole of the Province.

The National Treasury has continuously advised municipalities in previous budget circulars on financial management issues to be considered when compiling budgets. The 2017/18 MTREF budget assessment will critically consider the following:

- ☐ Cost reflective tariffs;
- ☐ Appropriateness of budget assumptions;
- ☐ Provision for asset renewal and maintenance;
- ☐ Credibility and level of funding of the budget (funded or not funded); and
- ☐ Alignment of the budgets to municipality's plans.

Therefore, municipalities must ensure that their 2017/18 MTREF addresses the items listed above and further submit the methodology applied in setting tariffs when submitting budget documentation to the National Treasury in terms of the MFMA.



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Developmental Objectives and Priorities on the IDP

Following an extensive and interactive consultation processes between the elected leaders, municipal administration, communities and stakeholders the municipality has agreed to the following developmental priorities that should be achieved in the next five years. These development priorities are steeped within the overall cluster system of government.

SUSTAINABLE INFRASTRUCTURE AND SERVICES	ECONOMIC DEVELOPMENT AND JOB CREATION
Water Sanitation Electricity Waste management Roads, streets, storm-water Housing Cemeteries Land development	Agricultural development Tourism development Land reform Industrial development Skills development SMME development
SOCIAL DEVELOPMENT AND COMMUNITY SERVICES	GOOD GOVERNANCE AND PUBLIC PARTICIPATION
Health services Environmental management Education and training Parks , Sports and recreation services Library services Transport	Increased revenue base from rates and taxes Corporate governance Institutional transformation Community-based planning
PUBLIC SAFETY	
Disaster Management Safety and Security Traffic Control Emergency services	



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TABLE 30

FS194 Maluti-a-Phofung - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution	A		52 634	72 194	42 927	73 882	73 882	73 882	78 315	82 231	86 342	
Sustainable Infrastructure and Services	Electricity - to manage the restructuring of electricity distribution effectively	B		165 696	406 896	273 770	571 893	564 173	564 173	562 332	585 759	603 317	
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents	C		41 546	49 226	54 593	39 224	39 224	39 224	41 577	43 656	45 839	
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites	D		21 688	27 700	32 826	32 860	32 860	32 860	34 832	36 573	38 402	
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered	E		5	55	135	173	230	230	250	263	276	
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads	F		0	1	–	10	–	–	–	–	–	
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries	G		–	–	298	500	500	500	525	551	579	
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock	H		–	607	420	3 980	562	562	1 650	1 733	1 819	
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties	I		172	416	397	3 400	201	201	2 900	3 045	3 197	
Good Governance and public participation (operations and support)	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.	J		833 300	1 191 497	887 086	900 895	885 932	885 932	966 691	1 052 831	1 102 628	
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel	K		187	306	571	1 000	600	600	500	525	551	
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery	L											
Good Governance and public participation	Legislative Authority- to ensure effective coordination of governance processes and compliance to legislative requirements.	M											
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and performance review	N											
Economic Development and Job Creation	Agricultural, land, industrial, skills, SMME development- to expand the agricultural sector	O											
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector	P		–	–	2 809	5 000	8 370	8 370	5 580	5 859	6 152	
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and increase the number of viable emerging businesses	Q		434	187	41	226	152	152	297	312	327	
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP	R		1 186	540	673	1 010	412	412	437	459	481	
Social Development and community services	Education and training- to develop social networks for older people; to ensure that the community has access to	S											
Social Development and community services	Library services	T		25	1 720	2 049	2 047	2 093	2 093	2 598	2 728	2 864	
Social Development and community services	Environmental management- increase environmental awareness through educating communities about environmental issues, and how to preserve the environment	U		–	–	–	–	–	–	5 219	–	–	
Public Safety	Public Safety- to ensure the safety of all persons and increase awareness around public safety	V											
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services	W		371	274	205	252	312	312	563	591	620	
Public Safety	Disaster Management- to improve disaster management capacity at the municipality	X											
Public Safety	Safety and Security - to create a safe and secure environment	Y											
Public Safety	Traffic Control- to improve the payment of traffic fines	Z		2 291	1 691	37 880	6 860	6 351	6 351	14 429	15 150	15 908	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	1 119 534	1 753 310	1 336 679	1 643 212	1 615 853	1 615 853	1 718 694	1 832 265	1 909 303



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TABLE 31

FS194 Maluti-a-Phofung - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively	B		339 967	726 459	761 197	496 845	367 780	367 780	678 491	712 406	748 036	
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites	D		42 962	48 464	43 331	44 698	46 563	46 563	45 472	47 745	50 132	
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered	E		1 334	—	2 543	3 099	2 304	2 304	4 688	4 922	5 168	
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads	F		291 173	353 097	233 596	42 125	80 944	80 944	71 296	74 860	78 603	
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries	G		—	—	3 542	3 268	5 780	5 780	5 986	6 286	6 600	
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock	H		16 103	15 008	12 182	22 989	13 528	13 528	11 286	11 851	12 443	
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties	I		7 941	7 789	10 178	13 880	14 880	14 880	14 225	14 936	15 683	
Good Governance and public participation	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.	J		490 882	538 731	732 989	349 041	372 617	372 617	787 784	826 548	867 776	
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel	K		24 633	31 101	40 237	38 991	82 106	82 106	52 684	55 318	58 084	
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery (IDP/PMS)	L		—	—	—	—	—	—	7 991	8 391	8 810	
Good Governance and public participation	Legislative Authority - to ensure effective coordination of governance processes and compliance to legislative requirements.	M		38 514	49 767	148 304	122 616	126 637	126 637	97 574	102 453	107 575	
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and performance review	N		27 386	10 362	25 989	52 736	38 804	38 804	45 136	47 393	49 762	
Economic Development and Job Creation	Agricultural, land, industrial, skills, SMME development- to expand the agricultural sector	O		—	—	3 860	3 849	4 390	4 390	3 451	3 624	3 805	
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector	P		7 573	3 263	8 503	18 388	14 914	14 914	7 669	8 052	8 455	
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and increase the number of viable emerging businesses	Q		—	—	23	599	5 010	5 010	5 619	5 900	6 195	
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP	R		35 651	35 097	39 272	51 373	44 304	44 304	68 472	71 895	75 490	
Social Development and community services	Education and training- to develop social networks for older people; to ensure that the community has access to relevant information	S		2 500	3 037	2 802	3 094	2 568	2 568	2 726	2 862	3 005	
Social Development and community services	Library services	T		3 449	3 341	3 362	3 839	3 890	3 890	4 125	4 331	4 548	
Social Development and community services	Environmental management- increase environmental awareness through educating communities about environmental issues, and how to preserve the environment	U		2 811	531	5 332	9 624	12 075	12 075	20 333	15 870	16 663	
Public Safety	Public Safety - to ensure the safety of all persons and increase awareness around public safety	V		19 913	1 393	22 968	20 935	25 122	25 122	27 291	28 655	30 088	
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services	W		17 334	21 276	21 934	21 223	25 070	25 070	23 122	24 279	25 492	
Public Safety	Disaster Management- to improve disaster management capacity at the municipality	X		—	—	4 395	10 435	10 000	10 000	5 000	5 250	5 513	
Public Safety	Safety and Security - to create a safe and secure environment	Y		—	—	25 721	21 834	26 902	26 902	24 399	25 619	26 900	
Public Safety	Traffic Control- to improve the payment of traffic fines	Z		10 841	40 172	13 497	29 812	23 146	23 146	23 141	24 298	25 513	
Allocations to other priorities													
Total Expenditure				1	1 380 967	1 888 890	2 165 756	1 385 292	1 349 333	1 349 333	2 037 962	2 133 745	2 240 343



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TABLE 32

FS194 Maluti-a-Phofung - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution	A		76 583	31 548	32 620	50 168	44 999	44 999	61 405	73 663	59 096
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively	B		34 539	38 994	37 340	10 048	14 576	14 576	12 600	18 900	24 295
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents	C		69 711	24 299	21 276	17 391	22 142	22 142	43 181	53 957	57 885
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites	D		-	-	-	-	-	-	-	-	-
Sustainable Infrastructure and Services	Community Facilities	E		11 036	8 172	5 718	27 950	25 650	25 650	56 830	68 903	71 298
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads	F		96 800	26 571	62 226	86 782	101 939	101 939	54 202	77 564	80 192
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries	G		-	4 638	7 322	2 644	4 734	4 734	-	-	-
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery	L		2 343	48 900	1 988	13 744	10 744	10 744	8 342	8 844	9 286
Good Governance and public participation	Executive & Council- fixed assets	M		8 622	1 590	415	6 600	5 450	5 450	7 500	10 600	11 600
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP	R		10 707	19 557	37 962	34 793	35 237	35 237	26 873	5 864	6 157
Public Safety	Public Safety- to ensure the safety of all persons and increase awareness around public safety	V		-	-	-	7 800	1 050	1 050	1 500	1 500	1 500
Allocations to other priorities			3									
Total Capital Expenditure			1	310 341	204 269	206 867	257 920	266 520	266 520	272 432	319 795	321 310

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.



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TABLE 33

FS194 Maluti-a-Phofung - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
VOTE 1: OFFICE OF THE MUNICIPAL MANAGER										
Function 1: IDP& PMS										
Sub-Function 1:										
To ensure proper coordination and management of IDP and performance review	% of reviewed and completed IDP within prescribed legislative time frames.				100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
To ensure effective coordination of governance processes and compliance to legislative requirements	% compliance to governance processes and legislative requirements				100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
To encourage communities to participating in the activities of the municipality	No. of wards inclusive of stakeholders participated in IDP review				35	35	35	35	35	35
VOTE 2: CORPORATE SERVICES DIRECTORATE										
Function 1: Human Resources										
Sub-function 1: Safe keeping of record										
To ensure that the records are kept in a safe place	Number of cabinets procured by June 2017				6					
Sub-function 2 - Administration										
To render an effective & efficient record management systems to Council	Records Management Policy developed by January 2017				1					
To administer the booking of Council buildings and halls	Number of bookings administered				300					
To provide Council, Mayoral and Portfolio Committees with administration support	Number of meetings held and supported				124					
To recruit competent employees in order for the municipal to achieve its IDP objectives	Number of competent of staff appointed				200					
Function 2 - Legal Matters										
To ensure that contracts that are entered into are legally correct and comply with relevant legislation	% of compliance on contracts entered into.				100%					
To provide effective and efficient Customer Care Services	Customer Care Policy developed by January 2017				1					
VOTE 3: FINANCIAL SERVICES										
Function 1: BUDGET										
Sub-function: Budget and Treasury Office										
To enhance revenue collection	Increase number of pay-points by 30 June 2017				2					
	Increase number of vending stations				100					
To ensure proper budgetary process and related matters are adhered to	No. of budget book to be submitted to council for approval 30 days before the start of the financial year				1	1	1	1	1	1
	No. of consultative meetings with stakeholders				1 each ward	1 each ward	1 each ward	1 each ward	1 each ward	1 each ward
Function 2: ASSETS										
Sub-function: Asset Management										
To ensure the safeguarding and proper recording of asset	No. of regular update of assets register				12	12	12	12	12	12
	No. of updates on loans and investments				12	12	12	12	12	12
Function 3: FINANCIAL ACCOUNTING										
Sub-function: Financial Matters										
To record and report on all financial matters	No. of AFS to be submitted to Auditor General by 31 August 2016				1	1	1	1	1	1
	Number of VAT Returns submitted to SARS				12	12	12	12	12	12
Function 4: EXPENDITURE										
Sub-function: Expenditure Management										
Manage expenditure in accordance with the budget	Quarterly reports on preparation of monthly creditors reconciliations				12	12	12	12	12	12
	Quarterly reports on compliance with Supply Chain Management Policy				4	4	4	4	4	4



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VOTE 4: MUNICIPAL INFRASTRUCTURE										
Function 1: Roads To accelerate the delivery of infrastructure services										
Sub-Function: Roads Construction										
<i>new roads to be constructed</i>	number of km				50					
<i>Intabazwe paving of road</i>	measured by kilo meters of road paved				50					
<i>Tshlame paving of roads</i>	Total % of construction in Phuthaditjhaba New Taxi Facility Phase 1				50					
<i>Namahadi</i>	Total km of paved roads constructed				12.5 km					
<i>Phuthaditjhaba</i>	Number of VIP toilets constructed				4358					
<i>To improve waste removal services</i>	Implement a programme for the disposal of domestic waste and commercial services to industrial and business customer				50					
Sub-function:To increase awareness by educating communities about enviromental issues and how to protect the enviroment										
<i>resurfacing</i>	number cleaning campaigns organized				30	30				
Function 5: WASTE WATER MANAGEMENT										
Sub-function:Sanitation										
<i>mandela park sanitation</i>	stands									
<i>phase 10-VIP toilets</i>	number of households									
<i>Phase 11- VIP toilets</i>	number of households									
<i>Phase 12- VIP toilets</i>	number of households									
Function 3: ELECTRICITY										
Sub-function: Connections										
<i>electricity connections</i>										
Sub-function: streetlights										
<i>High mast lights</i>	No of highmast lights installed									
<i>streetlights</i>	No of streetlights installed									
Function 4: WATER										
Sub-function:Water connections										
<i>To ensure that residents have access to portable water</i>										
<i>Phase 3A</i>	No. of ERF connected									
<i>Phase 3B</i>	No. of ERF connected				2940	2940	2940			
<i>Phase 3C</i>	No. of ERF connected				3907	3907	3907			
VOTE 5: COMMUNITY SERVICES										
Function 1: Social development										
Sub-function: Social Services										
<i>To reduce substance abuse through the local drug action committee</i>	Local Drug Action Plan in place				1					
	Awareness campaigns on substance abuse				15					
<i>To facilitate provision of social security services</i>	Number of pauper and indigent burials attended to				100,0%					
	Number of pauper and indigent stakeholders meetings held				4					
<i>To improve people's life skills</i>	Number of life skills programs conducted				10					
<i>To ensure that community have access to relevent information</i>	Number of consignment received				100,0%					
<i>To develop support networks for Older persons</i>	Local Older Persons Action Plan in place									
	Launch Local Older Persons Action plan				1					
<i>To raise awareness on the rights of woman, children and people living with disabilities</i>	Number of infor-sessions, workshops, training and awareness campaigns held									
	Number of national awareness day s held				4					
<i>To develop policies and facilitate the implementation of departmental policies and operational plans with regards to gender, children and disability within the municipality</i>	Number of local policies formulated				2					
	Number of policies analysed				3					
	Number of presentations to line managers				3					
Function 2: Library Services										
Sub-function:Improve access to libraries										
<i>To improve access to libraries and functioning libraries</i>	Number outreach programs conducted				4					
<i>To contribute towards the improvement of education</i>	Number of learning material issued				12					
Function 3: Cemetery Services										
Sub-fuction: Cemeteries										
<i>To provide and maintain municipal cemeteries</i>	Number of graves provided				14					
	Electronic burial register in place				1					
<i>To establish new cemeteries</i>	Number of cemeteries established/extended				2					



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VOTE 6: PUBLIC SAFETY										
Function 1: Fire and disaster management										
To optimise income	Amount to be collected from traffic fines				6000000	6010000	6010000	8012000	8412600	8833230
To review Disaster Management Plan	Conduct consultative meetings.				1					
Function 2: Transport										
To improve municipal transport capacity	Conduct inspections on municipal vehicles				2					
	To facilitate in-service training to staff				20					
To operate and maintain municipal fleet	Verification of driver's licenses through e-natis.				150					
Function 3: Safety and security										
To comply with SANS requirements with regard to response time	Conduct fire safety inspection on buildings				200					
	Installation of radio communication				100%					
	CCTV Cameras				15					
VOTE 7: SPORTS, RECREATION AND COMMUNITY FACILITIES										
Function 1: PARKS										
Sub-Function1: To promote sports activities										
To develop new sporting codes	Number of parks developed with recreation equipment				8					
	Number of sporting codes developed				20					
	Number of Sports Federations introduced for different sporting codes				12					
	Number of tournaments and competitions organized				12					
Sub-function 2: To maintain sports and recreation facilities										
To provide new sports equipment	Number of maintenance programs developed for different sports facilities				7					
	Number of new sports equipment provided per sports codes				18					
To encourage communities to participate in the activities of the Municipality	Implement existing Public Participation Programme									
Sub-function 3: To develop sports facilities										
To develop and promote Arts and culture	Number of Sports and Recreation facilities developed				4					
	Number of Arts and Culture centers developed				2					
	Number of exhibitions and workshops conducted				40					
	Number of cultural festivals/cultural concerts conducted				25					
VOTE 8: LOCAL ECONOMIC DEVELOPMENT										
Function1: Tourism										
Sub-Function1: Tourism to expand tourism sector in the region										
To expand tourism sector in the region	number of tourism products developed				3					
To market Maluti A Phofung tourism destination	monitor environmental risks in high risk areas				100,0%					
To promote compliance to environmental legislation, policies and by laws	air quality management by laws developed				100,0%					
Function2: SMME Development										
Sub-function2: SMME's										
Capacity of SMME and increase the number of viable emerging businesses	number of emerging SMME's formalised				25					
To expand mining beneficiation sector in the region	number of emerging and small scale miners formalised				4					
Function3: Economic Development										
Sub-function3: LED										
To draw new investment to the area	number of new investment attracted				3					
To facilitate the industrial development in the region	number of companies retained				80					
To expand the manufacturing sector in the region	number of retained companies and entrants into the sector				4					
Function4: Agriculture and rural development										
Sub-function4: Agricultural development										
To expand the agricultural sector in the region	number of new agricultural projects identified and implemented				3					
VOTE 9: HUMAN SETTLEMENTS, SPATIAL DEVELOPMENT, PLANNING AND TRADITIONAL AFFAIRS										
FUNCTION: To facilitate access to subsistence and commercial farming										
Sub function: Developing										
To secure tenure rights for all in MAP	Number of title deeds given out through discount benefit scheme.				25					
Review of the SDF and Human Settlement Sector	Selling of sites; building plan fees; relaxations; encroachment; rezoning and sub divisions				1000					
To provide and maintain Cemeteries	No of Sustainable cemeteries established									
Formalization of Rural Qwaqwa	11 townships & 16 geotechnical reports									
To manage advertisement space monthly	Number of New and old advertisement boards monitored and billed accordingly									
To prevent and eradicate all informal settlements	Number of illegal structures on un-proclaimed areas to be reallocated and formalized.									



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TABLE 34

FS194 Maluti-a-Phofung - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.6%	1.1%	0.3%	0.9%	0.7%	0.7%	0.0%	0.4%	0.3%	0.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.7%	1.8%	1.1%	1.2%	0.9%	0.9%	0.0%	0.9%	0.6%	0.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.5	0.7	0.3	1.0	1.0	1.0	–	0.5	0.5	0.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	0.7	0.2	1.0	1.0	1.0	–	0.5	0.5	0.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	–	0.0	0.0	0.0
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		72.6%	70.0%	81.9%	100.0%	100.0%	100.0%	0.0%	64.5%	65.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		70.2%	68.8%	82.2%	100.0%	100.0%	100.0%	0.0%	64.5%	65.4%	69.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.7%	45.6%	48.9%	63.5%	64.5%	64.5%	0.0%	59.4%	59.0%	59.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		-1308.8%	-2468.5%	12847.1%	681.9%	700.0%	700.0%	0.0%	39530.4%	36010.7%	31816.1%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.5%	16.6%	27.5%	23.1%	22.7%	22.7%	0.0%	22.8%	22.7%	22.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.9%	18.1%	29.5%	24.8%	24.3%	24.3%		24.4%	24.3%	24.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.6%	29.8%	8.5%	4.5%	7.4%	7.4%		5.5%	5.4%	5.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	26.5%	18.2%	24.6%	3.8%	3.8%	3.8%	0.0%	18.9%	18.8%	18.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	13.9	38.1	20.0	26.7	26.7	26.7	–	34.7	32.8	34.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	35.2%	104.0%	91.3%	100.0%	100.9%	100.9%	0.0%	96.5%	97.0%	98.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.5)	(0.5)	0.1	1.4	1.4	1.4	–	0.0	0.0	0.0



Performance indicators and benchmarks

1. Borrowing Management

The Municipality's capital expenditure is funded from two sources, namely, National government grants and internally generated funds. The Municipality's borrowing if it intends on taking a loan will be done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. Currently the source of funding is as stated above.

The following financial performance indicators have formed part of the compilation of the 2017/18 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 0.5% over the 2017/18 MTREF which indicates that the Municipality spends an average of 0.5% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding grants and contributions) has been funded by surplus of the current financial year. However, the ratio averages 0,7% over the 2017/18 MTREF.

2. Safety of Capital

- The debt equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- The gearing ratio is a measure of the total long term borrowings over funds and reserves.

3. Liquidity

- Current ratio measures the extent which current assets cover current liabilities. It is preferable that the ratio is at least above one. This ratio for the Municipality averages 0.5 over the 2017/18 MTREF.
- The liquidity ratio is a measure of the ability of the Municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally a municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This ratio for the Municipality averages 0.0 over the 2017/18 MTREF.



4. Revenue Management

- The municipality has appointed debt collectors and exercises credit control even to households so actions are carried out against debtors who are in arrears, and loyal customers are regularly encouraged to maintain their current accounts.
- The Municipality has provided an affordable payment plan for debtors to offset their arrears, where compliance with the payment plan leads to the suspension of all debt management actions and interest being raised.
- Debtors who are experiencing difficulties in paying their accounts are given options to either register as indigent or make affordable arrangements.
- Awareness on operation patala was done through the wards in trying to bring back the culture of paying and educating the community to move away from tempering and illegally connecting themselves.

5. Creditors Management

- In compliance with Section 65 of the Municipal Finance Management Act (MFMA), the Municipality is continually trying to manage payments to creditors within 30 days of invoice or statement in all cases where goods and services are rendered, but this is directly linked to cash flow.



2.4 OVERVIEW OF BUDGET-RELATED POLICIES

The following budget related policies will be submitted to Council as drafts and after approval will be made available on the Municipality's website and municipal libraries for knowledge enhancement of municipal procedures. The following policies have been used as a basis for the preparation of the annual budget and were reviewed as listed on **Annexure 4** of the budget document to be approved in May 2017, with inputs from the Budget road shows. Cogta is also assisting in reviewing our policies

A) Tariff policy

The Municipal System Act (section 74) requires Council to adopt a Tariff Policy. The general financial management functions as stated in section 62(1) (f) of the MFMA also states that the municipality must have and implement the policy, when determining this policy specific legislation applicable to each service has been taken into consideration.

B) Credit control policy (Attached)

This policy has been formulated in terms of section 96(b) and 98 of the Local Government: Municipal Systems Act, 2000.

C) Rates policy

This policy is formulated in terms of section 3 of the MPRA

D) Supply chain management & subsistence and travelling policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. This policy is under review

E) Indigent policy

The objective of this policy is to assist households which are not able to service their municipal accounts as and when they are due and payable, as result of local economic, social and environmental challenges other than through negligence or unwillingness to pay.

F) Budget & reporting policy

The budget policy aims to develop, maintain processes required in developing a municipality budget and detailing the responsibilities of all stakeholders inclusive of the accounting officer, the council, the public through public participation programmes.

G) Cash and investment policy

The investment Policy deals with the management of the municipality's surplus cash resources and the investment thereof.

H) Impairment of debtors and write off policy

The policy aims to ensure that debtors are disclosed in the annual financial statements at the amounts deemed to be collectable and uncollectable debt is written off within the guidelines of existing policies and applicable legislation

I) Virement policy

This policy applies only to transfers between line items within votes of the Municipality's operating budget

J) Assets policy

This policy focuses on amongst others, effective and efficient control, utilization, safeguarding and management of a municipality's property, plant and equipment.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

The 2017 Budget Review emphasised that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however; this is still not high enough to markedly reduce unemployment, poverty and inequality.

The unemployment rate was 26.5 per cent in the fourth quarter of 2016. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

These economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.



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Employee related costs

The South African Local Government Bargaining Council entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The preparation of the 2017/18 MTREF constitutes implementation of the last year of the agreement which municipalities must implement as follows:

□ 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

The previous years were:

□ 2015/16 Financial Year – 7 per cent

□ 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent

Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Breakdown of operating revenue over the medium term

TABLE 35

Medium Term Revenue & Expenditure Framework						
Description	Budget Year 2017/18		Budget Year +1 2018/19		Budget Year +2 2019/20	
	R'000	%	R'000	%	R'000	%
Rates & Taxes	207 596	14%	217 976	14%	228 875	14%
Service charges	712 889	47%	743 844	47%	769 307	46%
Interest revenue	34 700	2%	36 435	2%	38 257	2%
Transfers recognised - operational	503 632	34%	541 963	34%	577 986	35%
Other own revenue	44 145	3%	46 352	3%	48 669	3%
TOTAL OPERATING REVENUE	1 502 962	100%	1 586 570	100%	1 663 094	100%

Revenue to be generated from **property rates** is R207.5 million in the 2017/18 financial year and increases to R217.9 million by 2018/19 and R 228.8 million by 2019/20 which represents an average of 14 per cent of the operating revenue base of the municipality. It increases by 5% over the medium-term. In addition, there are still outstanding objections.



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Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R712.8 million for the 2017/18 financial year and increasing to R769.3 million by 2019/20. For the 2016/17 financial year services charges amount to 47 per cent of the total revenue base and grows by 5 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and other tariff charges.

Operational grants and subsidies amount to R503.6 million, R541.9 million and R577.9 million for each of the respective financial years of the MTREF, or 34 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 5% average.

Interest revenue contributes to 2% of the total operating amounting to R34.7 million, R36.4 million and R38.2 million for the respective three financial years of the 2017/18 MTREF.

The tables below provide detail investment information and investment particulars by maturity

TABLE 36

FS194 Maluti-a-Phofung - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-



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TABLE 37

FS194 Maluti-a-Phofung - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID		Yrs/Months												
Parent municipality														
Sanlam- 5026- 9000026112500		Yrs	money market	Yes	Variable					393	20			413
Sanlam - Money Market50189057-9000026112300		Yrs	money market	Yes	Variable					1 787	82			1 869
Sanlam- 11690236x2-9000026112400		Yrs	money market	Yes	Variable					394	20			413
FNB Call Account- 62027358292- 9000026110100		Yrs	call account	Yes	Variable					48	2			51
FNB Call Account - MIG Funds- 62199534580- 90000		Yrs	call account	Yes	Variable					1	0			1
FNB JAZZ FUND -62387689824		Yrs	call account	Yes	Variable					7	0			8
FNB Call Account - INT/HA CORR- 62212896346- 90		Yrs	call account	Yes	Variable					68	3			72
Standard BANK- 348526407- 9000026110300		Yrs	call account	Yes	Variable					80	4			84
														-
														-
Municipality sub-total										2 779		-	-	2 910
Entities														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST										2 779		-	-	2 910

2.6.2 Breakdown of the capital revenue for MTREF

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital Funding:

TABLE 38

			2017/18 MTREF					
CAPITAL GRANTS	Adjusted Budget 2016/17	%	Budget Year 2017/18	%	Budget Year +2 2018/19	%	Budget Year +2 2019/20	%
Funded by:								
National Government	182 520		215 732		245 695		246 210	
Transfers recognised - capital	182 520	68%	215 732	79%	245 695	77%	246 210	77%
Internally generated funds	84 000	32%	56 700	21%	74 100	23%	75 100	23%
Total Capital Funding	266 520	100%	272 432	100%	319 795	100%	321 310	100%

Capital grants and receipts from national government equals to 79 per cent of the total funding source which represents R215.7 million for the 2017/18 financial year and increases by 14% to R245.6 million by 2018/19, further increases to R246.2 million by 2019/20 which is 0%. Grants from national sources still remain a significant funding source for the 2017/18 to 2019/20 Capital Budget.



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The following table is a detailed analysis of the municipality's borrowing

TABLE 39

FS194 Maluti-a-Phofung - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Annuity and Bullet Loans		13 762	9 077	7 123	8 000	4 500	4 500	7 000	5 000	2 500
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	13 762	9 077	7 123	8 000	4 500	4 500	7 000	5 000	2 500
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	13 762	9 077	7 123	8 000	4 500	4 500	7 000	5 000	2 500
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 40

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		369 210	403 189	454 043	459 907	455 266	455 266	501 132	539 815	575 691
Local Government Equitable Share		361 770	392 155	451 438	458 097	453 456	453 456	493 768	537 563	573 326
Finance Management		1 550	1 600	1 675	1 810	1 810	1 810	2 145	2 252	2 365
Municipal Systems Improvement		890	934	930	-	-	-	-	-	-
Water Services Operating Subsidy		5 000	8 500	-	-	-	-	-	-	-
EPWP Incentive					-	-	-	5 219	-	-
Operation Hlasela & Municipal Technical Support Programme										
Provincial Government:		2 449	-	-	-	-	-	2 500	2 000	2 000
Operation Hlasela & Municipal Technical Support Programme		2 449	-	-	-	-	-	2 500	2 000	2 000
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	371 659	403 189	454 043	459 907	455 266	455 266	503 632	541 815	577 691
Capital Transfers and Grants										
National Government:		289 258	206 474	186 197	185 520	182 520	182 520	215 732	245 695	246 210
Municipal Infrastructure Grant (MIG)		197 323	154 260	157 047	154 870	154 870	154 870	165 732	175 695	186 210
Regional Bulk Infrastructure		49 500	31 548	-	-	-	-	-	-	-
DoE- Intergrated National Electrification Programme		20 000	11 300	18 932	3 000	-	-	-	5 000	10 000
Expanded Public Works Incentive Programme		10 210	4 866	5 718	7 650	7 650	7 650	-	-	-
Rural Households Infrastructure		2 225	4 499	4 500	-	-	-	-	-	-
Water services infrastructure grant		10 000	-	-	20 000	20 000	20 000	50 000	65 000	50 000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	289 258	206 474	186 197	185 520	182 520	182 520	215 732	245 695	246 210
TOTAL RECEIPTS OF TRANSFERS & GRANTS		660 917	609 663	640 240	645 427	637 786	637 786	719 364	787 510	823 901

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other 'to be provided for as cash inflow based on actual performance. In other words, the actual collection rate of billed revenue; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

TABLE 41

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

2014/15 Medium-Term Revenue & Expenditure Framework - Table A: Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		57 165	120 001	90 183	207 596	207 596	207 596		134 937	152 583	171 656
Service charges		202 476	345 730	412 464	714 784	708 018	708 018		463 378	520 691	576 980
Other revenue		6 594	279 913	160 290	111 678	106 726	106 726		35 467	38 687	40 692
Government - operating	1	362 667	402 495	455 111	564 907	564 266	564 266		503 632	541 963	577 986
Government - capital	1	282 040	206 474	186 197	185 520	182 520	182 520		215 732	238 873	247 717
Interest		2 805	17 530	26 962	28 900	32 900	32 900		23 425	26 266	29 332
Dividends						-	-		-	-	-
Payments											
Suppliers and employees		(621 194)	(1 160 402)	(1 116 728)	(1 324 415)	(1 299 140)	(1 299 140)		(1 006 564)	(1 123 112)	(1 187 046)
Finance charges		(5 769)	(3 985)	(4 479)		-	-		(4 000)	(4 200)	(4 410)
Transfers and Grants	1	-	-	-	(105 000)	(109 000)	(109 000)		(115 540)	(121 317)	(127 383)
NET CASH FROM/(USED) OPERATING ACTIVITIES		286 783	207 756	210 001	383 970	393 886	393 886	-	250 467	270 434	325 525
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		5 351	6 022	7 756	6 000	-	-		-	-	-
Decrease (increase) in non-current debtors		-	-	-	-				-	-	-
Decrease (increase) other non-current receivables		8 977	8 236	(1 631)	-				-	-	-
Decrease (increase) in non-current investments		-	440	(77)	-				-	-	-
Payments											
Capital assets		(310 341)	(204 269)	(206 867)	(257 920)	(266 520)	(266 520)		(245 189)	(258 938)	(296 071)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(296 013)	(189 570)	(200 818)	(251 920)	(266 520)	(266 520)	-	(245 189)	(258 938)	(296 071)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(2 321)	(16 630)	(3 057)	(6 000)	(4 500)	(4 500)		(5 000)	(2 500)	(2 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2 321)	(16 630)	(3 057)	(6 000)	(4 500)	(4 500)	-	(5 000)	(2 500)	(2 500)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	(32 319)	(43 870)	6 717	3 000	2 841	2 841		3 250	3 528	12 524
Cash/cash equivalents at the year end:	2	(43 870)	(42 313)	12 842	129 050	125 707	125 707	-	3 528	12 524	39 478

2.6.4 Cash backed reserves/accumulated surplus reconciliation

The following table meets the requirements of the MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash backed accumulated surplus that was/is available. A shortfall (applications>cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Noncompliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

TABLE 42

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

C134 multi-Pa+ holding - Table A6 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(43 870)	(42 313)	12 842	129 050	125 707	125 707	-	4 382	5 051	6 003
Other current investments > 90 days		(0)	49 042	(4 947)	(121 985)	(118 642)	(118 642)	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(43 870)	6 729	7 895	7 065	7 065	7 065	-	4 382	5 051	6 003
Application of cash and investments											
Unspent conditional transfers		2 481	1 787	2 854	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	505 043	584 829	1 113 706	(79 753)	(88 550)	(88 550)	-	1 174 869	1 232 728	1 258 333
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		507 524	586 616	1 116 560	(79 753)	(88 550)	(88 550)	-	1 174 869	1 232 728	1 258 333
Surplus(shortfall)		(551 394)	(579 887)	(1 108 664)	86 818	95 615	95 615	-	(1 170 486)	(1 227 676)	(1 252 330)

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below:

TABLE 43

FS194 Maluti-a-Phofung Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(43 870)	(42 313)	12 842	129 050	125 707	125 707	–	4 382	5 051	6 003
Cash + investments at the yr end less applications - R'000	18(1)b	2	(551 394)	(579 887)	(1 108 664)	86 818	95 615	95 615	–	(1 170 486)	(1 227 676)	(1 252 330)
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.5)	(0.5)	0.1	1.4	1.4	1.4	–	0.0	0.0	0.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	–	(319 268)	(301 480)	(331 039)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	77.0%	(15.6%)	44.8%	(6.7%)	(6.0%)	(106.0%)	(5.5%)	(1.5%)	(2.2%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	56.5%	65.3%	95.5%	103.9%	104.8%	104.8%	0.0%	62.5%	62.6%	66.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	49.7%	(24.0%)	41.7%	7.6%	7.6%	7.6%	0.0%	29.3%	29.5%	29.8%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	90.0%	81.0%	92.1%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	439.4%	(20.6%)	65.2%	0.0%	0.0%	(100.0%)	(3.8%)	5.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(49.1%)	608.4%	(85.2%)	0.0%	0.0%	(100.0%)	608.4%	5.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.3%	15.4%	3.4%	2.1%	3.4%	3.4%	0.0%	2.7%	2.7%	2.7%
Asset renewal % of capital budget	20(1)(vi)	14	1.3%	4.4%	7.1%	2.4%	1.5%	1.5%	0.0%	4.6%	5.8%	6.0%

2.6.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements. If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very likely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2017/18 MTREF show a positive R4.3 million, R5 million and R6 million for each respective financial year.

2.6.5.2 *Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality applies its available cash and investments. In the Municipality's case, the total of cash plus investment, less applications, is more than the commitments for each corresponding year the 2017/18 MTREF, which shows that the Municipality can afford its commitments in the medium term. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.6.5.3 *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress (i.e. the number of times that average monthly payments are covered) from a collection and cash in-flow perspective. This ratio is 0.0 in 2017/18, 0.1 in 18/19 and 0.4 in 19/20 MTREF period, which shows that stable provision in respect of the monthly payment coverage has been made. The municipal's view is that one months' provision is sufficient.

2.6.5.4 *Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution towards the economic benefits they are consuming over the medium term. For the 2017/2018 MTREF the indicative outcome is a deficit of -R319.2 million, -R301.4 million and -R331 million. This is due to the non-cash items Bad debts and depreciation

2.6.5.5 *Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to test whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. At 5.5%, 1.5% and 2.2% for the three MTREF years the ratio for 2017/18 is less than the National Treasury CPI targets

2.6.5.6 *Cash receipts as a percentage of ratepayers and other revenue*

This factor is a macro measure of the rate at which funds are ‘collected’. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 62.5% for 2017/18, 62.6% for 2018/19 and 66.3.0% for 2019/2020. Given that the assumed collection rate was based on the 100 per cent performance target, the cash flow statement has been conservatively determined.

2.6.5.7 *Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the assumption for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 29% average per cent over the MTREF. Considering the debt collectors and the municipality’s revenue management strategy’s objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 *Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that an average of 90 % per cent timing discount has been factored into the cash position forecasted in 2017/2018 financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 *Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality’s ‘own-funded’ capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Extremely funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0% per cent of own funded capital for the 2017/18 financial year.

2.6.5.10 *Transfers/grants revenue as percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.



2.6.5.11 *Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor, the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.6.5.12 *Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to assess repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 *Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets



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2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

TABLE 44

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		369 210	403 189	454 043	459 907	455 266	455 266	501 132	539 815	575 691
Local Government Equitable Share		361 770	392 155	451 438	458 097	453 456	453 456	493 768	537 563	573 326
Finance Management		1 550	1 600	1 675	1 810	1 810	1 810	2 145	2 252	2 365
Municipal Systems Improvement		890	934	930	-	-	-	-	-	-
Water Services Operating Subsidy		5 000	8 500	-	-	-	-	-	-	-
EPWP Incentive					-	-	-	5 219	-	-
Operation Hlasela & Municipal Technical Support Programme										
Provincial Government:		2 449	-	-	-	-	-	2 500	2 000	2 000
Operation Hlasela & Municipal Technical Support Programme		2 449	-	-	-	-	-	2 500	2 000	2 000
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	371 659	403 189	454 043	459 907	455 266	455 266	503 632	541 815	577 691
Capital Transfers and Grants										
National Government:		289 258	206 474	186 197	185 520	182 520	182 520	215 732	245 695	246 210
Municipal Infrastructure Grant (MIG)		197 323	154 260	157 047	154 870	154 870	154 870	165 732	175 695	186 210
Regional Bulk Infrastructure		49 500	31 548	-	-	-	-	-	-	-
DoE- Intergrated National Electrification Programme		20 000	11 300	18 932	3 000	-	-	-	5 000	10 000
Expanded Public Works Incentive Programme		10 210	4 866	5 718	7 650	7 650	7 650	-	-	-
Rural Households Infrastructure		2 225	4 499	4 500	-	-	-	-	-	-
Water services infrastructure grant		10 000	-	-	20 000	20 000	20 000	50 000	65 000	50 000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	289 258	206 474	186 197	185 520	182 520	182 520	215 732	245 695	246 210
TOTAL RECEIPTS OF TRANSFERS & GRANTS		660 917	609 663	640 240	645 427	637 786	637 786	719 364	787 510	823 901



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TABLE 45

FS194 Maluti-a-Phofung - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		362 667	403 189	454 043	459 907	455 266	455 266	501 132	539 815	575 691
Local Government Equitable Share		355 227	392 155	451 438	458 097	453 456	453 456	493 768	537 563	573 326
Finance Management		1 550	1 600	1 675	1 810	1 810	1 810	2 145	2 252	2 365
Municipal Systems Improvement		890	934	930	-	-	-	-	-	-
Water Services Operating Subsidy		5 000	8 500	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	-	-	-	5 219	-	-
Operation Hlasela & Municipal Technical Support Pro		-	-	-	-	-	-	-	-	-
Provincial Government:		2 449	-	-	-	-	-	2 500	2 000	2 000
Operation Hlasela & Municipal Technical Support Pro		2 449	-	-	-	-	-	2 500	2 000	2 000
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		365 116	403 189	454 043	459 907	455 266	455 266	503 632	541 815	577 691
Capital expenditure of Transfers and Grants										
National Government:		280 400	206 474	186 197	185 520	182 520	182 520	215 732	245 695	246 210
Municipal Infrastructure Grant (MIG)		197 323	154 260	157 047	154 870	154 870	154 870	165 732	175 695	186 210
Regional Bulk Infrastructure		50 507	31 548	-	-	-	-	-	-	-
DoE- Intergrated National Electrification Programme		20 000	11 300	18 932	3 000	-	-	-	5 000	10 000
Expanded Public Works Incentive Programme		12 570	4 866	5 718	7 650	7 650	7 650	-	-	-
Rural Households Infrastructure		-	4 499	4 500	-	-	-	-	-	-
Water services infrastructure grant		-	-	-	20 000	20 000	20 000	50 000	65 000	50 000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		280 400	206 474	186 197	185 520	182 520	182 520	215 732	245 695	246 210
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		645 516	609 663	640 240	645 427	637 786	637 786	719 364	787 510	823 901



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TABLE 46

FS194 Maluti-a-Phofung - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(3 765)								
Current year receipts		366 667	403 189	454 043	459 907	455 266	455 266	501 132	539 963	575 986
Conditions met - transferred to revenue		360 453	403 189	454 043	459 907	455 266	455 266	501 132	539 963	575 986
Conditions still to be met - transferred to liabilities		2 449								
Provincial Government:										
Balance unspent at beginning of the year		1 149								
Current year receipts								2 500	2 000	2 000
Conditions met - transferred to revenue		-	-	-	-	-	-	2 500	2 000	2 000
Conditions still to be met - transferred to liabilities		1 149								
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		360 453	403 189	454 043	459 907	455 266	455 266	503 632	541 963	577 986
Total operating transfers and grants - CTBM	2	3 598	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(2 940)	(1 787)	(2 854)						
Current year receipts		285 789	111 759	189 052	185 520	182 520	182 520	215 732	245 695	246 210
Conditions met - transferred to revenue		282 849	109 972	186 197	185 520	182 520	182 520	215 732	245 695	246 210
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		282 849	109 972	186 197	185 520	182 520	182 520	215 732	245 695	246 210
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		643 302	513 161	640 240	645 427	637 786	637 786	719 364	787 658	824 196
TOTAL TRANSFERS AND GRANTS - CTBM		3 598	-	-	-	-	-	-	-	-



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Allocations and grants made by the municipality

TABLE 47

FS194 Maluti-a-Phofung - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash Transfers to other municipalities											
Water Subsidy to MAP Water entity	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Water Subsidy to MAP Water entity	2										
Equitable share to Maluti Water		80 000	100 222	95 000	105 000	109 000	109 000		115 540	121 317	127 383
Total Cash Transfers To Entities/Ems'		80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383
Cash Transfers to other Organs of State											
Water Subsidy to MAP Water entity	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Water Subsidy to MAP Water entity											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
Water Subsidy to MAP Water entity											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383



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2.8 COUNCILLORS AND EMPLOYEE BENEFITS

TABLE 48

FS194 Maluti-a-Phofung - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages										
Pension and UIF Contributions		1 696	1 789	1 993	2 061	344	344	368	386	405
Medical Aid Contributions		245	248	250	252	181	181	194	204	214
Motor Vehicle Allowance		3 061	3 047	2 951	3 235	1 251	1 251	1 338	1 405	1 476
Cellphone Allowance		1 384	1 471	1 410	1 584	954	954	1 021	1 072	1 125
Housing Allowances										
Other benefits and allowances		13 789	16 934	16 303	16 967	19 099	19 099	20 436	21 458	22 531
Sub Total - Councillors		20 174	23 489	22 908	24 098	21 829	21 829	23 357	24 525	25 751
% increase	4		16,4%	(2,5%)	5,2%	(9,4%)	-	7,0%	5,0%	5,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		12 256	7 269	9 100	8 915	6 535	6 535	10 276	10 790	11 330
Pension and UIF Contributions		487	1 520	424	602	439	439	484	509	534
Medical Aid Contributions		124	25	87	150	116	116	203	213	223
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3	1 185	1 807	1 153	1 623	783	783	1 481	1 555	1 633
Cellphone Allowance	3	115	96	115	240	308	308	186	195	205
Housing Allowances	3	-	-	-	-	-	-			
Other benefits and allowances	3	85	-	177	-	629	629	110	116	121
Payments in lieu of leave		-	-	292	-	212	212			
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		14 252	10 716	11 347	11 530	9 021	9 021	12 741	13 378	14 046
% increase	4		(24,8%)	5,9%	1,6%	(21,8%)	-	41,2%	5,0%	5,0%
Other Municipal Staff										
Basic Salaries and Wages		133 095	154 015	199 302	246 563	195 691	195 691	238 904	250 849	263 391
Pension and UIF Contributions		17 666	24 299	31 122	35 142	31 738	31 738	34 321	36 037	37 839
Medical Aid Contributions		8 560	9 082	10 662	12 599	10 823	10 823	11 796	12 386	13 005
Overtime		20 221	26 863	26 716	5 452	32 951	32 951	13 499	14 174	14 883
Performance Bonus										
Motor Vehicle Allowance	3	949	3 369	5 298	13 601	11 073	11 073	12 092	12 697	13 332
Cellphone Allowance	3	365	693	1 122	1 091	725	725	839	881	925
Housing Allowances	3	652	678	1 335	1 508	1 295	1 295	1 386	1 455	1 528
Other benefits and allowances	3	27 829	12 780	22 481	6 957	26 084	26 084	10 569	11 098	11 653
Payments in lieu of leave		6 638	14 083	5 959	973	2 655	2 655	2 840	2 982	3 131
Long service awards		-	-	871	1 438	3 924	3 924	4 198	4 408	4 628
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		215 977	245 862	304 867	325 324	316 958	316 958	330 445	346 967	364 315
% increase	4		13,8%	24,0%	6,7%	(2,6%)	-	4,3%	5,0%	5,0%
Total Parent Municipality		250 403	280 066	339 122	360 952	347 807	347 807	366 542	384 870	404 113
			11,8%	21,1%	6,4%	(3,6%)	-	5,4%	5,0%	5,0%



FS194 Maluti-a-Phofung - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	—	36 631	636 835			673 466
Chief Whip		1	—	—	614 764			614 764
Executive Mayor		1	—	—	811 529			811 529
Deputy Executive Mayor		—	—	—	—			—
Executive Committee		10	—	119 808	6 745 124			6 864 932
Total for all other councillors		56	—	405 272	13 987 018			14 392 290
Total Councillors	8	69	—	561 712	22 795 270			23 356 982
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 891 190	69 824	24 000			1 985 014
Chief Finance Officer		1	1 282 767	15 484	210 600			1 508 850
Director corporate services		1	872 824	48 291	147 662			1 068 777
Director Public safety & Transport		1	891 980	210 370	231 792			1 334 142
Director LED &Tourism		1	824 425	178 647	249 766			1 252 837
Directors - Infrastructure; Human Settlements; Community Services;		5	4 513 211	274 568	803 171			5 590 950
List of each official with packages >= senior manager								—
								—
								—
								—
								—
								—
								—
								—
								—
Total Senior Managers of the Municipality	8.10	10	10 276 396	797 184	1 666 991	—		12 740 572

FS194 Maluti-a-Phofung - Supporting Table SA24 Summary of personnel numbers												
Summary of Personnel Numbers		Ref	2015/16			Current Year 2016/17			Budget Year 2017/18			
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	
Municipal Council and Boards of Municipal Entities												
Councillors (Political Office Bearers plus Other Councillors)			67	15	52	69	14	55	69	14	55	
Board Members of municipal entities		4										
Municipal employees												
Municipal Manager and Senior Managers		5					–					
Other Managers		3	10	2	8	6	–	6	10	–	10	
Professionals		7	45	45	–	50	45	5	50	45	5	
			725	642	83	297	260	37	297	260	37	
Finance			55	55	–	42	42	–	42	42	–	
Spatial/town planning			27	27	–	27	27	–	27	27	–	
Information Technology			2	2		–	–	–	–	–	–	
Roads			14	14	–	15	15	–	15	15	–	
Electricity			3	3		15	15	–	15	15	–	
Water												
Sanitation						–	–		–	–		
Refuse			46	46	–	10	10	–	10	10	–	
Other			578	495	83	188	151	37	188	151	37	
Technicians			3	3	–	851	752	99	851	752	99	
Finance												
Spatial/town planning						1	1	–	1	1	–	
Information Technology			1	1	–	5	5	–	5	5	–	
Roads			2	2	–							
Electricity						66	26	40	66	26	40	
Water								–				
Sanitation												
Refuse												
Other						779	720	59	779	720	59	
Clerks (Clerical and administrative)			369	256	113	68	39	29	68	39	29	
Service and sales workers												
Skilled agricultural and fishery workers												
Craft and related trades												
Plant and Machine Operators												
Elementary Occupations												
TOTAL PERSONNEL NUMBERS			9	1 219	963	256	1 341	1 110	231	1 345	1 110	235
% increase						10,0%	15,3%	(9,8%)	0,3%	–	1,7%	
Total municipal employees headcount			6, 10									
Finance personnel headcount		8, 10	60	59	1	65	64	1	65	64	1	
Human Resources personnel headcount		8, 10	11	11		11	11		11	11		



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

2.8.1 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

TABLE 51

FS194 Maluti-a-Phofung - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue By Source																
Property rates		14 532	15 570	16 608	14 532	16 815	14 117	14 947	15 155	15 155	14 532	16 192	39 443	207 596	217 976	228 875
Service charges - electricity revenue		44 653	44 095	39 072	39 072	33 490	44 095	39 630	39 072	42 421	44 653	46 328	101 586	558 165	581 384	598 724
Service charges - water revenue		6 265	6 265	6 422	6 344	6 265	6 265	6 265	7 832	6 265	6 907	6 265	6 954	78 315	82 231	86 342
Service charges - sanitation revenue		3 742	3 326	3 742	3 326	3 326	3 742	3 326	3 243	3 285	3 484	3 285	3 751	41 577	43 656	45 839
Service charges - refuse revenue		2 438	2 787	2 717	2 787	3 135	2 612	3 135	3 100	3 135	2 995	3 135	2 856	34 832	36 573	38 402
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		90	103	77	116	103	116	127	128	103	90	123	109	1 284	1 348	1 415
Interest earned - external investments		232	203	261	232	232	261	209	290	229	203	232	316	2 900	3 045	3 197
Interest earned - outstanding debtors		2 862	2 544	2 862	2 544	2 544	2 862	2 544	2 480	2 512	2 665	2 512	2 869	31 800	33 390	35 060
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		981	1 121	1 079	1 135	1 121	1 261	1 261	1 401	1 121	1 107	1 121	1 303	14 012	14 713	15 448
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		211 525	-	-	-	-	161 162	-	-	130 944	-	-	-	503 632	541 963	577 986
Other revenue		1 442	2 596	1 731	2 308	1 731	4 327	2 856	2 596	2 885	2 019	1 154	3 202	28 848	30 291	31 805
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		288 763	78 610	74 570	72 394	68 762	240 820	74 300	75 297	208 054	78 655	80 347	162 390	1 502 962	1 586 570	1 663 093
Expenditure By Type																
Employee related costs		27 455	27 455	27 455	26 425	27 455	32 603	27 455	27 112	33 975	27 112	26 768	31 916	343 185	360 345	378 362
Remuneration of councillors		1 939	1 915	1 915	1 915	1 962	1 985	1 939	1 962	1 939	1 985	1 962	1 939	23 357	24 525	25 751
Debt impairment		13 500	13 500	13 500	8 100	10 800	8 100	8 100	18 900	10 800	16 200	8 100	140 400	270 000	283 500	297 675
Depreciation & asset impairment		14 005	16 806	25 209	8 403	22 408	14 005	28 010	19 607	11 204	16 806	19 607	84 030	280 100	294 105	308 810
Finance charges		200	240	360	120	320	200	400	280	160	240	280	1 200	4 000	4 200	4 410
Bulk purchases		52 128	49 232	52 128	46 336	46 336	46 336	57 920	40 544	46 336	52 128	40 544	49 232	579 200	608 150	638 568
Other materials		4 112	6 578	7 401	2 467	6 578	5 756	9 045	8 223	10 690	13 157	5 756	2 467	82 230	86 342	90 659
Contracted services		4 107	4 929	7 393	4 107	2 464	12 321	8 214	5 750	13 143	4 929	7 721	7 064	82 143	86 250	90 563
Transfers and subsidies		9 628	9 628	9 628	9 628	9 628	9 628	9 628	9 628	9 628	9 628	9 628	9 628	115 540	121 317	127 383
Other expenditure		25 821	20 656	20 656	11 619	12 910	24 788	19 365	18 074	51 641	15 492	22 980	14 201	258 206	265 012	278 162
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		152 894	150 940	165 646	119 121	140 862	155 723	170 077	150 080	189 516	157 677	143 348	342 078	2 037 962	2 133 745	2 240 343
Surplus/(Deficit)		135 869	(72 330)	(91 076)	(46 727)	(72 100)	85 098	(95 777)	(74 783)	18 538	(79 022)	(63 000)	(179 688)	(535 000)	(547 175)	(577 249)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		99 237	-	-	-	-	53 933	-	-	62 562	-	-	-	215 732	245 695	246 210
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		235 106	(72 330)	(91 076)	(46 727)	(72 100)	139 031	(95 777)	(74 783)	81 100	(79 022)	(63 000)	(179 688)	(319 268)	(301 480)	(331 039)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	235 106	(72 330)	(91 076)	(46 727)	(72 100)	139 031	(95 777)	(74 783)	81 100	(79 022)	(63 000)	(179 688)	(319 268)	(301 480)	(331 039)



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 52

FS194 Maluti-a-Phofung - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote																
Vote 1 - Legislative Authority													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Corporate Services		35	40	35	35	35	45	40	39	40	42	37	77	500	525	551
Vote 4 - Budget & Treasury Office		230 914	20 529	19 850	21 833	14 043	184 815	18 090	19 136	151 402	16 017	18 590	35 741	750 959	807 136	856 418
Vote 5 - Municipal Infrastructure		110 067	12 378	10 831	10 831	10 831	67 858	12 378	12 068	74 940	11 914	11 295	25 065	370 456	408 155	416 793
Vote 6 - Community Services		219	250	219	219	219	281	250	244	250	265	228	481	3 123	3 279	3 443
Vote 7 - Public Safety & Transport		1 049	1 199	1 049	1 049	1 049	1 349	1 199	1 169	1 199	1 273	1 094	2 310	14 992	15 741	16 528
Vote 8 - Sports, Parks, Arts & Culture		31	35	31	31	31	39	35	34	35	37	32	67	437	459	481
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		756	864	756	756	756	972	864	842	864	474	788	2 107	10 799	5 859	6 152
Vote 10 - Human Settlements		133	152	133	133	133	171	152	148	152	161	139	293	1 900	1 995	2 095
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		224	256	224	224	224	288	256	249	256	271	233	493	3 197	3 357	3 525
Vote 13 - Electricity Department		39 363	44 987	39 363	39 363	39 363	50 610	44 987	43 862	44 987	46 455	41 050	87 942	562 332	585 759	603 317
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		382 791	80 689	72 491	74 473	66 683	306 428	78 250	77 792	274 124	76 909	73 486	154 576	1 718 694	1 832 265	1 909 303
Expenditure by Vote to be appropriated																
Vote 1 - Legislative Authority		7 611	7 611	7 806	5 854	6 928	8 294	7 806	7 318	10 538	7 708	7 513	12 587	97 574	102 453	107 575
Vote 2 - Office of the Municipal Manager		3 521	3 521	3 611	2 708	3 205	3 837	3 611	3 385	4 875	3 566	3 475	5 823	45 136	47 393	49 762
Vote 3 - Corporate Services		4 109	4 109	4 215	3 161	3 741	4 478	4 215	3 951	5 690	4 162	4 057	6 796	52 684	55 318	58 084
Vote 4 - Budget & Treasury Office		61 447	61 447	63 023	47 267	55 933	66 962	63 023	59 084	85 081	62 235	60 659	101 624	787 784	826 548	867 776
Vote 5 - Municipal Infrastructure		5 561	5 561	5 704	4 278	5 062	6 060	5 704	5 347	7 700	5 632	5 490	9 197	71 296	74 860	78 603
Vote 6 - Community Services		4 914	4 914	5 040	3 780	4 473	5 355	5 040	4 725	6 804	4 977	4 851	8 127	62 997	66 146	69 454
Vote 7 - Public Safety & Transport		8 030	8 030	8 236	6 177	7 310	8 751	8 236	7 721	11 119	8 133	7 927	13 281	102 953	108 100	113 505
Vote 8 - Sports, Parks, Arts & Culture		5 341	5 341	5 478	4 108	4 861	5 820	5 478	5 135	7 395	5 409	5 272	8 833	68 472	71 895	75 490
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		2 892	2 892	2 966	2 224	2 632	3 151	2 966	2 780	4 004	2 929	2 855	4 782	37 073	33 447	35 119
Vote 10 - Human Settlements		880	880	903	677	801	959	903	846	1 219	892	869	1 456	11 286	11 851	12 443
Vote 11 - IDP- PMS Department		623	623	639	479	567	679	639	599	863	631	615	1 031	7 991	8 391	8 810
Vote 12 - Spatial Development, Planning & Traditional		1 110	1 110	1 138	854	1 010	1 209	1 138	1 067	1 536	1 124	1 095	1 835	14 225	14 936	15 683
Vote 13 - Electricity Department		34 061	31 550	39 584	28 196	29 952	36 641	45 028	31 971	46 739	33 404	32 065	289 300	678 491	712 406	748 036
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		140 099	137 589	148 342	109 765	126 474	152 196	153 786	133 931	193 562	140 803	136 744	464 672	2 037 962	2 133 745	2 240 343
Surplus/(Deficit) before assoc.		242 692	(56 900)	(75 851)	(35 291)	(59 791)	154 232	(75 535)	(56 139)	80 563	(63 893)	(63 258)	(310 095)	(319 268)	(301 480)	(331 039)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	242 692	(56 900)	(75 851)	(35 291)	(59 791)	154 232	(75 535)	(56 139)	80 563	(63 893)	(63 258)	(310 095)	(319 268)	(301 480)	(331 039)



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 53

FS194 Maluti-a-Phofung - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional																
Governance and administration		230 914	20 529	19 850	21 833	14 043	184 815	18 090	19 136	151 402	16 017	18 590	36 241	751 459	807 661	856 969
Executive and council													-	-	-	-
Finance and administration		230 914	20 529	19 850	21 833	14 043	184 815	18 090	19 136	151 402	16 017	18 590	36 241	751 459	807 661	856 969
Internal audit													-	-	-	-
Community and public safety		422	482	422	422	422	542	482	470	482	511	440	928	6 022	6 323	6 639
Community and social services		236	270	236	236	236	304	270	263	270	286	246	520	3 373	3 541	3 718
Sport and recreation		31	35	31	31	31	39	35	34	35	37	32	67	437	459	481
Public safety		39	45	39	39	39	51	45	44	45	48	41	87	563	591	620
Housing		116	132	116	116	116	149	132	129	132	140	120	254	1 650	1 733	1 819
Health													-	-	-	-
Economic and environmental services		100 871	1 868	1 634	1 634	1 634	56 034	1 868	1 821	62 930	1 818	1 704	4 762	238 577	264 202	265 643
Planning and development		97 361	713	624	624	624	54 735	713	695	59 057	593	651	2 538	218 929	249 052	249 735
Road transport		1 010	1 154	1 010	1 010	1 010	1 299	1 154	1 125	1 154	1 225	1 053	2 224	14 429	15 150	15 908
Environmental protection		2 500								2 719			-	5 219	-	-
Trading services		50 194	57 364	50 194	50 194	50 194	64 535	57 364	55 930	57 364	59 590	52 345	111 786	717 056	748 219	773 900
Energy sources		39 363	44 987	39 363	39 363	39 363	50 610	44 987	43 862	44 987	46 455	41 050	87 942	562 332	585 759	603 317
Water management		5 482	6 265	5 482	5 482	5 482	7 048	6 265	6 109	6 265	6 648	5 717	12 069	78 315	82 231	86 342
Waste water management		2 910	3 326	2 910	2 910	2 910	3 742	3 326	3 243	3 326	3 530	3 035	6 407	41 577	43 656	45 839
Waste management		2 438	2 787	2 438	2 438	2 438	3 135	2 787	2 717	2 787	2 957	2 543	5 368	34 832	36 573	38 402
Other		391	446	391	391	391	502	446	435	446	474	407	860	5 580	5 859	6 152
Total Revenue - Functional		382 791	80 689	72 491	74 473	66 683	306 428	78 250	77 792	272 624	78 409	73 486	154 576	1 718 694	1 832 265	1 909 303
Expenditure - Functional																
Governance and administration		78 959	78 959	80 984	60 738	71 873	86 045	80 984	75 922	109 328	79 972	77 947	130 587	1 012 299	1 062 289	1 115 304
Executive and council		8 836	8 836	9 063	6 797	8 043	9 629	9 063	8 496	12 235	8 950	8 723	14 614	113 285	118 950	124 897
Finance and administration		69 772	69 772	71 561	53 671	63 511	76 034	71 561	67 089	96 608	70 667	68 878	115 393	894 516	938 617	985 448
Internal audit		351	351	360	270	319	382	360	337	486	355	346	580	4 498	4 723	4 959
Community and public safety		11 542	11 542	11 838	8 878	10 506	12 578	11 838	11 098	15 981	11 690	11 394	19 089	147 974	155 373	163 142
Community and social services		1 775	1 775	1 820	1 365	1 616	1 934	1 820	1 707	2 457	1 798	1 752	2 935	22 754	23 892	25 087
Sport and recreation		5 341	5 341	5 478	4 108	4 861	5 820	5 478	5 135	7 395	5 409	5 272	8 833	68 472	71 895	75 490
Public safety		3 932	3 932	4 033	3 025	3 579	4 285	4 033	3 781	5 445	3 983	3 882	6 503	50 413	52 934	55 581
Housing		494	494	507	380	450	538	507	475	684	500	488	817	6 335	6 652	6 985
Health													-	-	-	-
Economic and environmental services		11 846	11 846	12 149	9 112	10 783	12 909	12 149	11 390	16 402	11 998	11 694	19 591	151 867	153 981	161 680
Planning and development		2 894	2 894	2 968	2 226	2 634	3 153	2 968	2 782	4 007	2 931	2 857	4 786	37 098	38 953	40 900
Road transport		7 366	7 366	7 555	5 666	6 705	8 027	7 555	7 083	10 199	7 460	7 272	12 182	94 436	99 158	104 116
Environmental protection		1 586	1 586	1 627	1 220	1 444	1 728	1 627	1 525	2 196	1 606	1 566	2 623	20 333	15 870	16 663
Trading services		37 607	35 097	43 222	30 925	33 180	40 506	48 666	35 381	51 650	36 997	35 566	295 166	723 963	760 151	798 169
Energy sources		34 061	31 550	39 584	28 196	29 952	36 641	45 028	31 971	46 739	33 404	32 065	289 300	678 491	712 406	748 036
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		3 547	3 547	3 638	2 728	3 228	3 865	3 638	3 410	4 911	3 592	3 501	5 866	45 472	47 745	50 132
Other		145	145	149	111	132	158	149	139	201	147	143	240	1 858	1 951	2 049
Total Expenditure - Functional		140 099	137 589	148 342	109 765	126 474	152 196	153 786	133 931	193 562	140 803	136 744	464 672	2 037 962	2 133 745	2 240 343
Surplus/(Deficit) before assoc.		242 692	(56 900)	(75 851)	(35 291)	(59 791)	154 232	(75 535)	(56 139)	79 063	(62 393)	(63 258)	(310 095)	(319 268)	(301 480)	(331 039)
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	242 692	(56 900)	(75 851)	(35 291)	(59 791)	154 232	(75 535)	(56 139)	79 063	(62 393)	(63 258)	(310 095)	(319 268)	(301 480)	(331 039)



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 54

FS194 Maluti-a-Phofung - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure to be appropriated	1															
Vote 1 - Legislative Authority													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Corporate Services													-	-	-	-
Vote 4 - Budget & Treasury Office													-	-	-	-
Vote 5 - Municipal Infrastructure		17 172	18 440	19 414	29 935	21 075	23 709	24 570	26 343	19 929	18 440	22 301	22 104	263 432	307 695	308 210
Vote 6 - Community Services													-	-	-	-
Vote 7 - Public Safety & Transport													-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture													-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural development													-	-	-	-
Vote 10 - Human Settlements													-	-	-	-
Vote 11 - IDP- PMS Department													-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs													-	-	-	-
Vote 13 - Electricity Department													-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	17 172	18 440	19 414	29 935	21 075	23 709	24 570	26 343	19 929	18 440	22 301	22 104	263 432	307 695	308 210
Single-year expenditure to be appropriated																
Vote 1 - Legislative Authority													-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	1 000	-	-	-	-	-	-	-	1 000	2 000	2 000	2 000
Vote 3 - Corporate Services		-	-	-	250	-	-	-	-	-	-	-	250	500	600	600
Vote 4 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		-	-	-	2 500	-	-	-	-	-	-	-	2 500	5 000	8 000	9 000
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	-	750	-	-	-	-	-	-	-	750	1 500	1 500	1 500
Vote 8 - Sports, Parks, Arts & Culture													-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural development													-	-	-	-
Vote 10 - Human Settlements													-	-	-	-
Vote 11 - IDP- PMS Department													-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs													-	-	-	-
Vote 13 - Electricity Department													-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	-	-	-	4 500	-	-	-	-	-	-	-	4 500	9 000	12 100	13 100
Total Capital Expenditure	2	17 172	18 440	19 414	34 435	21 075	23 709	24 570	26 343	19 929	18 440	22 301	26 604	272 432	319 795	321 310



**Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018
Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 55

FS194 Maluti-a-Phofung - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		-	-	-	3 750	-	-	-	-	-	-	-	3 750	7 500	10 600	11 600
Executive and council		-	-	-	3 750	-	-	-	-	-	-	-	3 750	7 500	10 600	11 600
Finance and administration													-	-	-	-
Internal audit													-	-	-	-
<i>Community and public safety</i>		6 458	5 859	5 560	8 852	6 696	7 533	6 190	8 370	10 943	5 859	5 767	7 116	85 202	76 267	78 955
Community and social services		5 115	3 978	3 410	5 683	4 546	5 115	5 115	5 683	8 524	3 978	2 273	3 410	56 830	68 903	71 298
Sport and recreation		1 344	1 881	2 150	2 419	2 150	2 419	1 075	2 687	2 419	1 881	3 493	2 956	26 873	5 864	6 157
Public safety		-	-	-	750	-	-	-	-	-	-	-	750	1 500	1 500	1 500
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		2 710	3 794	3 252	9 214	4 336	4 878	8 130	5 420	2 710	3 794	2 168	3 794	54 202	77 564	80 192
Planning and development													-	-	-	-
Road transport		2 710	3 794	3 252	9 214	4 336	4 878	8 130	5 420	2 710	3 794	2 168	3 794	54 202	77 564	80 192
Environmental protection													-	-	-	-
<i>Trading services</i>		7 587	8 203	10 101	12 202	9 375	10 547	9 917	11 719	5 859	8 203	14 033	9 441	117 186	146 520	141 276
Energy sources		630	882	756	630	1 008	1 134	504	1 260	630	882	504	3 780	12 600	18 900	24 295
Water management		3 070	4 298	6 755	5 526	4 912	5 526	5 526	6 140	3 070	4 298	9 211	3 070	61 405	73 663	59 096
Waste water management		3 886	3 023	2 591	6 045	3 454	3 886	3 886	4 318	2 159	3 023	4 318	2 591	43 181	53 957	57 885
Waste management													-	-	-	-
<i>Other</i>		417	584	501	417	667	751	334	834	417	584	334	2 503	8 342	8 844	9 286
Total Capital Expenditure - Functional	2	17 172	18 440	19 414	34 435	21 075	23 709	24 570	26 343	19 929	18 440	22 301	26 604	272 432	319 795	321 310
Funded by:																
National Government		14 337	14 471	16 012	30 012	15 972	19 173	19 467	19 539	16 017	14 471	17 198	19 063	215 732	245 695	246 210
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		14 337	14 471	16 012	30 012	15 972	19 173	19 467	19 539	16 017	14 471	17 198	19 063	215 732	245 695	246 210
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		2 835	3 969	3 402	4 423	5 103	4 536	5 103	6 804	3 912	3 969	5 103	7 541	56 700	74 100	75 100
Total Capital Funding		17 172	18 440	19 414	34 435	21 075	23 709	24 570	26 343	19 929	18 440	22 301	26 604	272 432	319 795	321 310



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 56

FS194 Maluti-a-Phofung - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source													1		
Property rates	9 446	10 120	10 795	9 446	10 930	9 176	9 715	9 850	9 850	9 446	10 525	25 638	134 937	152 583	171 656
Service charges - electricity revenue	29 025	28 662	25 397	25 397	21 768	28 662	25 759	25 397	27 573	29 025	30 113	61 566	358 342	362 493	391 302
Service charges - water revenue	4 072	4 072	4 174	4 123	4 072	4 072	4 072	5 090	4 072	4 490	4 072	4 520	50 905	57 562	64 757
Service charges - sanitation revenue	2 432	2 162	2 432	2 162	2 162	2 432	2 162	2 108	2 135	2 264	2 135	2 022	26 610	30 559	34 379
Service charges - refuse revenue	1 585	1 811	1 766	1 811	2 038	1 698	2 038	2 015	2 038	1 947	2 038	1 857	22 641	25 601	28 801
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	85	98	73	110	98	110	121	122	98	85	117	104	1 220	1 213	1 345
Interest earned - external investments	220	193	248	220	220	248	198	276	218	193	220	300	2 755	2 893	3 037
Interest earned - outstanding debtors	1 860	1 654	1 860	1 654	1 654	1 860	1 654	1 612	1 633	1 732	1 633	1 865	20 670	23 373	26 295
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	883	1 009	971	1 021	1 009	1 135	1 135	1 261	1 009	996	1 009	1 173	12 611	13 241	13 903
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	211 525	-	-	-	-	161 162	-	-	130 944	-	-	-	503 632	541 963	577 986
Other revenue	721	1 947	1 298	1 154	1 298	1 947	1 428	1 688	1 875	1 515	865	130	15 867	9 087	11 132
Cash Receipts by Source	261 855	51 728	49 015	47 098	45 249	212 503	48 283	49 419	181 445	51 692	52 728	99 174	1 150 188	1 220 569	1 324 593
Other Cash Flows by Source															
Transfer receipts - capital	99 237	-	-	-	-	53 933	-	-	62 562	-	-	-	215 732	238 873	247 717
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	361 092	51 728	49 015	47 098	45 249	266 436	48 283	49 419	244 008	51 692	52 728	99 174	1 365 920	1 459 442	1 572 310
Cash Payments by Type															
Employee related costs	27 455	27 455	27 455	26 425	27 455	32 603	27 455	27 112	33 975	27 112	26 768	31 916	343 185	360 345	378 362
Remuneration of councillors	1 939	1 915	1 915	1 915	1 962	1 985	1 939	1 962	1 939	1 985	1 962	1 939	23 357	24 525	25 751
Finance charges	200	240	360	120	320	200	400	280	160	240	280	1 200	4 000	4 200	4 410
Bulk purchases - Electricity	-	60 000	-	-	-	60 000	-	-	60 000	-	-	25 964	205 964	249 346	277 497
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	4 112	5 921	4 440	2 467	3 947	11 455	4 523	6 578	20 311	11 841	5 180	1 455	82 230	86 342	90 659
Contracted services	4 107	4 436	4 436	4 107	1 479	23 411	4 107	4 600	13 897	4 436	6 949	6 179	82 143	86 250	90 563
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	9 628	8 665	5 777	9 628	5 777	17 331	4 814	7 703	17 331	8 665	9 628	10 591	115 540	121 317	127 383
Other expenditure	41 313	18 591	12 394	11 619	7 746	47 097	9 683	14 460	56 805	5 164	9 192	24 116	258 180	265 012	278 162
Cash Payments by Type	88 753	127 223	56 777	56 282	48 686	194 081	52 920	62 694	204 418	59 443	59 961	103 360	1 114 599	1 197 335	1 272 787
Other Cash Flows/Payments by Type															
Capital assets	17 172	7 376	9 707	10 330	4 215	45 047	12 285	10 537	77 725	14 752	15 611	20 431	245 189	258 938	296 071
Repayment of borrowing	2 500	-	-	-	-	-	2 500	-	-	-	-	-	5 000	2 500	2 500
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	108 425	134 599	66 484	66 613	52 901	239 128	67 705	73 232	282 143	74 196	75 572	123 792	1 364 788	1 458 773	1 571 358
NET INCREASE/(DECREASE) IN CASH HELD	252 666	(82 871)	(17 469)	(19 515)	(7 651)	27 308	(19 423)	(23 813)	(38 135)	(22 503)	(22 844)	(24 618)	1 132	669	952
Cash/cash equivalents at the monthly year begin:	3 250	255 916	173 046	155 576	136 061	128 410	155 718	136 295	112 482	74 347	51 844	29 000	3 250	4 382	5 051
Cash/cash equivalents at the monthly year end:	255 916	173 046	155 576	136 061	128 410	155 718	136 295	112 482	74 347	51 844	29 000	4 382	4 382	5 051	6 003

2.10 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

The SDBIP gives effect to the Integrated Development Plan and Budget of the municipality. It is the expression of the objectives of the MAP municipality with the expected outcomes which will be implemented by the administration (Directorates) within MAP municipality. It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It facilitates oversight of financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, The Executive Mayor/ Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Municipality. The Service Delivery Budget Implementation Plan (SDBIP) will be approved the Executive Mayor after the approval of the annual budget.

In terms of section 53(1) © (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is expected to be approved by the mayor within 28 days after the approval of the budget and in addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval

The SDBIP must contain the following:

- Measurable objectives,
- Monthly Projections
- Service delivery strategies,
- Key outputs,
- Performance/service delivery indicators, and
- Performance/service delivery targets.

These plans will be used as justification for the allocation of funds, whether it is of a capital or an operational nature. It is important that Portfolio Committee members are involved in the compilation of these operational plans to ensure that they address political aspirations.



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2.11 CONTRACT HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

TABLE 57

FS194 Maluti-a-Phofung - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Indigent Register		425		5 000	5 250	5 513								16 187
Call outs		18 301	9 000	6 064	6 367	6 686								
Municipal assets Insurance		68 153	20 000	13 939	14 636	15 368								
Landfill site Management		5 944	2 340	5 040	5 292	5 557								
Valuation roll/Credit control charges		6 068	1 500	1 500	1 575	1 654								
Financial System		6 068	2 000	5 000	5 250	5 513								
Collection costs/printing consumer accounts		2 052	500	200	210	221								
Revenue Enhancement		16 027	15 150	10 000	10 500	11 025								
Streetslights-energy efficient lighting		25 867	10 000	3 000	3 150	3 308								
Dinatlwa Debt collectors		9 094												
VAT Review		3 000	5 000	3 000	3 150	3 308								
Compilation of Financial Statements		5 000	5 000	5 000	5 250	5 513								
Assets Verification		700	1 000	500	525	551								
Urban Renewal		2 000	5 400	3 000	3 150	3 308								
Debt collectors		30 862	2 000	1 500	1 575	1 654								
SCM Database		-	450	-	-	-								
SCM Management Support		-	800	400	420	441								
Traffic management		-	2 000	3 500	3 675	3 859								
Security Services		-	5 000	6 000	6 300	6 615								
ICT Support		-		5 000	5 250	5 513								
Rural formalisation		-		1 000	1 050	1 103								3 153
Fencing of landfill site		-		3 500	3 675	3 859								11 034
Total Operating Expenditure Implication		199 561	87 140	82 143	86 250	90 563	-	-	-	-	-	-	-	545 657
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		199 561	87 140	82 143	86 250	90 563	-	-	-	-	-	-	-	545 657



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2.12 CAPITAL EXPENDITURE DETAIL

TABLE 58

FS194 Maluti-a-Phofung - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		275 197	170 312	140 665	160 389	174 486	174 486	171 387	224 084	221 469
Roads Infrastructure		94 364	75 471	64 214	86 782	96 676	96 676	54 202	77 564	80 192
Roads		94 364	75 471	64 214	86 782	96 676	96 676	54 202	77 564	80 192
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		34 539	38 994	22 555	6 048	10 669	10 669	12 600	18 900	24 295
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		34 539	38 994	22 555	6 048	10 669	10 669	12 600	18 900	24 295
Capital Spares										
Water Supply Infrastructure		76 583	31 548	32 620	50 168	44 999	44 999	61 405	73 663	59 096
Dams and Weirs										
Boreholes										
Reservoirs				–	–			500	7 448	7 820
Pump Stations										
Water Treatment Works										
Bulk Mains								50 000	65 000	50 000
Distribution		76 583	31 548	32 620	50 168	44 999	44 999	10 905	1 215	1 276
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		69 711	24 299	21 276	17 391	22 142	22 142	43 181	53 957	57 885
Pump Station										
Reticulation		69 711	24 299	21 276	17 391	22 142	22 142	32 857	48 281	51 926
Waste Water Treatment Works										
Outfall Sewers								9 824	5 676	5 960
Toilet Facilities								500		
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										



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Community Assets	19 193	23 371	51 002	46 579	52 910	52 910	54 734	51 846	53 388
Community Facilities	–	10 878	13 040	30 294	30 384	30 384	44 263	50 469	51 943
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria		4 638	7 322	2 644	4 734	4 734	1 250	–	–
Police									
Purfs									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports		–							
Taxi Ranks/Bus Terminals							23 014	29 469	30 943
Capital Spares		6 240	5 718	27 650	25 650	25 650	20 000	21 000	21 000
Sport and Recreation Facilities	19 193	12 494	37 962	16 285	22 525	22 525	10 471	1 376	1 445
Indoor Facilities	19 193	12 494	37 962	16 285	22 525	22 525	10 471	1 376	1 445
Outdoor Facilities									
Capital Spares									
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Other assets	9 798	–	–	16 744	13 744	13 744	8 342	8 844	9 286
Operational Buildings	9 798	–	–	16 744	13 744	13 744	8 342	8 844	9 286
Municipal Offices				3 000	3 000	3 000			
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares	9 798	–	–	13 744	10 744	10 744	8 342	8 844	9 286
Housing	–	–	–	–	–	–	–	–	–
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets									
Intangible Assets	–	–	59	–	–	–	–	–	–
Servitudes									
Licences and Rights	–	–	59	–	–	–	–	–	–
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications			59						
Load Settlement Software Applications									
Unspecified									
Computer Equipment	1 752	781	194	3 300	2 050	2 050	3 000	2 500	2 500
Computer Equipment	1 752	781	194	3 300	2 050	2 050	3 000	2 500	2 500
Furniture and Office Equipment	–	–	–	1 100	1 450	1 450	1 000	1 600	1 600
Furniture and Office Equipment				1 100	1 450	1 450	1 000	1 600	1 600
Machinery and Equipment	480	808	162	5 000	5 263	5 263	5 000	8 000	9 000
Machinery and Equipment	480	808	162	5 000	5 263	5 263	5 000	8 000	9 000
Transport Assets	–	–	–	–	–	–	–	–	–
Transport Assets									
Libraries	–	–	–	–	–	–	–	–	–
Libraries									
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals									
Total Capital Expenditure on new assets	1	306 421	195 273	192 083	233 112	249 902	249 902	243 464	296 874
									297 243



**Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018
Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 59

FS194 Maluti-a-Phofung - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	14 785	4 000	3 906	3 906	-	-	-
Electrical Infrastructure		-	-	14 785	4 000	3 906	3 906	-	-	-
Power Plants										
HV Substations				14 785	4 000	3 906	3 906			
HV Switching Station										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		3 920	8 995	-	2 300	-	-	12 566	18 434	19 355
Community Facilities		3 920	1 932	-	2 300	-	-	12 566	18 434	19 355
Halls		3 920	1 932		-			5 643	8 357	8 775
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations					2 300			6 924	10 076	10 580
Testing Stations										
Sport and Recreation Facilities		-	7 063	-	-	-	-	-	-	-
Indoor Facilities			7 063	-						
Outdoor Facilities										
Capital Spares										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing	1	3 920	8 995	14 785	6 300	3 906	3 906	12 566	18 434	19 355
Renewal of Existing Assets as % of total capex		0,0%	4,4%	7,1%	2,4%	1,5%	1,5%	4,6%	5,8%	6,0%
Renewal of Existing Assets as % of deprechn"		1,8%	3,2%	5,3%	12,6%	7,8%	7,8%	7,4%	10,3%	10,3%



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 60

FS194 Maluti-a-Phofung - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		49 130	66 560	92 877	55 000	93 000	93 000	71 700	75 285	79 049
Roads Infrastructure		32 813	38 384	62 215	12 000	40 000	40 000	33 400	35 070	36 824
Roads		32 813	38 384	62 215	12 000	40 000	40 000	33 400	35 070	36 824
Road Structures		-								
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	5 000	7 000	7 000	5 000	5 250	5 513
Drainage Collection										
Storm water Conveyance					5 000	7 000	7 000	5 000	5 250	5 513
Attenuation										
Electrical Infrastructure		16 317	28 176	30 662	38 000	41 000	41 000	30 300	31 815	33 406
Power Plants										
HV Substations								8 500	8 925	9 371
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks		16 317	28 176	30 662	38 000	41 000	41 000	21 800	22 890	24 035
Capital Spares										
Sanitation Infrastructure		-	-	-	-	5 000	5 000	3 000	3 150	3 308
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities						5 000	5 000	3 000	3 150	3 308
Capital Spares										
Community Assets		378	181	501	1 370	1 300	1 300	1 000	1 050	1 103
Community Facilities		378	181	501	1 370	1 300	1 300	1 000	1 050	1 103
Public Open Space					120	300	300	1 000	1 050	1 103
Capital Spares		378	181	501	1 250	1 000	1 000			
Other assets		18 476	391 516	584	5 330	5 300	5 300	3 000	3 150	3 308
Operational Buildings		18 476	391 516	584	5 330	5 300	5 300	3 000	3 150	3 308
Municipal Offices		2 570	-	-	5 000	5 000	5 000	3 000	3 150	3 308
Capital Spares		15 906	391 516	584	330	300	300	-	-	-
Computer Equipment		155	107	416	1 240	690	690	2 000	2 100	2 205
Computer Equipment		155	107	416	1 240	690	690	2 000	2 100	2 205
Furniture and Office Equipment		-	-	-	430	1 100	1 100	300	315	331
Furniture and Office Equipment			-		430	1 100	1 100	300	315	331
Machinery and Equipment		337	-	1	600	950	950	400	420	441
Machinery and Equipment		337	-	1	600	950	950	400	420	441
Transport Assets		3 709	2 711	3 372	2 000	4 000	4 000	3 830	4 022	4 223
Transport Assets		3 709	2 711	3 372	2 000	4 000	4 000	3 830	4 022	4 223
Total Repairs and Maintenance Expenditure	1	72 185	461 075	97 751	65 970	106 340	106 340	82 230	86 342	90 659
R&M as a % of PPE		2.3%	15.4%	3.4%	2.1%	3.4%	3.4%	0.0%	2.8%	2.8%
R&M as % Operating Expenditure		5.2%	24.4%	4.5%	4.8%	7.9%	7.9%	0.0%	4.2%	4.2%



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 61

FS194 Maluti-a-Phofung - Supporting Table SA34d Depreciation by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Other assets</u>		215 649	278 171	278 694	50 000	50 000	50 000	280 100	294 105	308 810
Operational Buildings		215 649	278 171	278 694	50 000	50 000	50 000	280 100	294 105	308 810
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares		215 649	278 171	278 694	50 000	50 000	50 000	280 100	294 105	308 810
Housing		-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<u>Intangible Assets</u>		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
Transport Assets										
<u>Libraries</u>		-	-	-	-	-	-	-	-	-
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	215 649	278 171	278 694	50 000	50 000	50 000	280 100	294 105	308 810



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 62

FS194 Maluti-a-Phofung - Supporting Table SA36 Detailed capital budget									
Municipal Vote/Capital project	Program/Project description	Asset Class	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
			Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand		3							
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>									
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthadijhaba: Upgrading of Town Hall	Community	-		5 643	8 357	8 775	ward 27	renewal
(EPWP)	Incentive grant for municipality (EXPWP)	Community		7 650				all wards	new
LED & SMME's (OWN SOURCE)	Maluti Contractor Development Programme	Community		18 000	20 000	21 000	21 000	all wards	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe/Harrismith: New Commuter infrastructure facility (MIS:22601)	Community	4 000	11 834	1 605			ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthadijhaba/Qwaqwa: New taxi facility - phase 1 (MIS:22601)	Community	5 066	16 308	12 608	4 221	4 432	ward 29	new
MUNICIPAL INFRASTRUCTURE(MIG)	Tshame: New Commuter Facility	Community			5 877	17 722	18 608	ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Tiholong: New Taxi Facility	Community			2 924	7 527	7 903	ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Fencing and infra at cemeteries 1 (c)	Community	5 773	4 734	1 250	-	-	34, 1 and 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Fencing of cemeteries phase 2	Community	1 101					ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe/Harrismith: Establishment of Fire Station	Community		-	6 924	10 076	10 580	ward 22	renewal
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe stadium	Community	8 100	12 711	16 402	4 488	4 712	ward 22	Upgrading
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe new indoor sport & recreational facility	Community	7 802	5 791				ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe new indoor sport & recreational facility phase 2	Community	6 889	1 617				ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Bluegumbosch new indoor recreational facility	Community	4 124	15 117	10 471	1 376	1 445	ward 34	new
MUNICIPAL INFRASTRUCTURE (INEPG-DoE)	Intergrated National Electrification Grant	Infrastructure - Electricity	20 000		-	5 000	10 000	ward 1	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Substation (11kv line to Nestle & Wilge treatment works)	Infrastructure - Electricity	12 082	3 906				ward 22	renewal
MUNICIPAL INFRASTRUCTURE(MIG)	Maluti-a-Phofung: 153 High mast lights in 4 towns	Infrastructure - Electricity	5 247	4 669	3 100	7 900	8 295	ward 6 and 22	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	B-Strong Electrification (Bolata)	Infrastructure - Electricity		3 000	3 000	3 000	3 000	ward 14	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Kgabisi Electrification (Tebang)	Infrastructure - Electricity		3 000	3 000	3 000	3 000	ward 32	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	MAP TRANSFORMERS	Infrastructure - Electricity		-	3 500	-	-	All wards	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Footbridges Map	Infrastructure - Road transport	1 388	3 327	-	5 000	5 000	10,12,14,29,31	new
MUNICIPAL INFRASTRUCTURE(MIG)	Kestell (Tiholong): 5km New paved roads phase 5	Infrastructure - Road transport	17 256	9 659	1 453			ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Maluti-a-Phofung Phuthadijhaba: Paving of Roads 14.5km Phase 1	Infrastructure - Road transport	21 355	3 738	1 164			ward 29	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe Paving of 4,5km roads - Phase 3	Infrastructure - Road transport			5 500	6 000	6 300	ward 4	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Resurfacing Of Roads Tar	Infrastructure - Road transport	6 781	16 729	-	5 000	5 000	6,7,22,25,28,29	new
MUNICIPAL INFRASTRUCTURE(MIG)	Disaster Park: Paving of 4.5km roads - Phase 3	Infrastructure - Road transport	12 589	15 712	2 220			ward 32	new
MUNICIPAL INFRASTRUCTURE(MIG)	Tshame B: Paving of 6km roads - Phase 2B	Infrastructure - Road transport	-	14 980	1 179			ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Namahadi: Paving of Roads and Storm water: Retention	Infrastructure - Road transport	4 028					ward 18	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Construction of bridge (SANRAL)	Infrastructure - Road transport	-	3 500	5 000	-	-	ward 22	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Turfontein/Makeneng Internal Paved Roads Phase 2	Infrastructure - Road transport	549		3 000	5 000	5 000	ward 16	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Maqhekung Infrastructure	Infrastructure - Road transport	5 029	889	-	5 000	5 000	ward 27	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Molebang street - Rebuilt	Infrastructure - Road transport	65		5 000	5 000	5 000	ward 27	new
MUNICIPAL INFRASTRUCTURE(MIG)	Monontsha:Construction of footbridge	Infrastructure - Road transport			5 104	7 896	8 290	9, 11; 13	new
MUNICIPAL INFRASTRUCTURE(MIG)	Kestell/ Tiholong New Paved road Phase 6	Infrastructure - Road transport			2 706	7 294	7 658	ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Tshame B: Construction of Paved Roads Phase 3	Infrastructure - Road transport			7 500	17 750	18 638	ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Namahadi Paving of road and stormwater: PHASE 2	Infrastructure - Road transport			13 875	13 625	14 306	ward 18	new
MUNICIPAL INFRASTRUCTURE(OWN SOURCE)	MIG counterfunding	Infrastructure - Road transport		3 000	500	-	-		new
MUNICIPAL INFRASTRUCTURE (RHIG)	360 VIP Toilets (RHIG)	Infrastructure - Sanitation	4 500					10 and 19	new
MUNICIPAL INFRASTRUCTURE(MIG)	VIP Toilet Project Phase 11	Infrastructure - Sanitation	4 000					ward 6	new
MUNICIPAL INFRASTRUCTURE(MIG)	Wilge Waste Water Treatmentworks Phase 1	Infrastructure - Sanitation	5 095	10 757				ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Construction of Mangaung sewer network	Infrastructure - Sanitation			9 602	9 109	11 295	ward 18	new
MUNICIPAL INFRASTRUCTURE(MIG)	Mandela Park Sanitation 650 Stands	Infrastructure - Sanitation	856					Ward 20	new
MUNICIPAL INFRASTRUCTURE(MIG)	Thabong: Construction of Sewer Network	Infrastructure - Sanitation			5 500	1 000	1 050	Ward 24	new
MUNICIPAL INFRASTRUCTURE(MIG)	Kgotsoong: Construction of Sewer Network	Infrastructure - Sanitation			2 500	4 070	4 273	Ward 30	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe Ext. 3: Construction of Waterborne Sewer Network	Infrastructure - Sanitation			3 000	7 857	8 250	ward 5	new
MUNICIPAL INFRASTRUCTURE(MIG)	Bluegumbosch: Refurbishment of Sewer Line	Infrastructure - Sanitation			5 255	10 745	11 282	ward 34	new



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

FS194 Maluti-a-Phofung - Supporting Table SA36 Detailed capital budget									
Municipal Vote/Capital project	Program/Project description	Asset Class	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
			Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand		3							
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>									
MUNICIPAL INFRASTRUCTURE(MIG)	Harrismith / Intabazwe Ext. 3: Sewer Outfall Line and Rising M	Infrastructure - Sanitation	-		9 824	5 676	5 960	ward 5	new
MUNICIPAL INFRASTRUCTURE(MIG)	Construction of sewer network for Namahadi(Harankopane)	Infrastructure - Sanitation			3 000	5 500	5 775	ward 18	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Lusaka Sewerage	Infrastructure - Sanitation	5 000	7 450	4 000	5 000	5 000	30 and 24	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Mobile Toilets	Infrastructure - Sanitation	600					3 and 31	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	VIP Toilets (360 toilets per annum)	Infrastructure - Sanitation	3 005	935	500	-	-	ward 3	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Makholokweng Sewer	Infrastructure - Sanitation	383	3 000	-	5 000	5 000	ward 1	new
MUNICIPAL INFRASTRUCTURE(WSIG)	Water services infrastructure grant	Infrastructure - Water		20 000	50 000	65 000	50 000	Maluti	new
MUNICIPAL INFRASTRUCTURE(MIG)	Wilge: Construction of a 4 Ml Reservoir	Infrastructure - Water	-		500	7 448	7 820	ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthaditjhaba: Provision of water services for network exten	Infrastructure - Water	5 395	13 026	1 477	-	-	13 and 25	new
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthaditjhaba: Provision of water services for network exten	Infrastructure - Water	5 702	6 474	1 100			ward 17	new
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthaditjhaba: Provision of water services for network exten	Infrastructure - Water	7 080					Ward 27	new
MUNICIPAL INFRASTRUCTURE(MIG)	Kestell (Tholong): Upgrading of water networks system Bulk	Infrastructure - Water	210					ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe Ext. 3: Construction of Internal Water Reticulation v	Infrastructure - Water			8 128	1 215	1 276	ward 5	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Makholokweng water networks	Infrastructure - Water	4 417					ward 1	new
PROJECT MANAGEMENT UNIT(OWN SOURCE)	Fika Patso	Infrastructure - Water	2 372					qwaqwa	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Tholong water network connection	Infrastructure - Water	2 773					ward 3	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Water Tanks (Jojo)	Infrastructure - Water	966	5 500	200	-	-		new
MUNICIPAL INFRASTRUCTURE(MIG)	Project Management Unit	Infrastructure - Other		7 744	8 342	8 844	9 286		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Plant & Machinery for Road Construction / Maintenance	Other Assets	830	5 263	5 000	8 000	9 000		new
PUBLIC SAFETY & TRANSPORT (OWN SOURCE)	Cctv Cameras	Other Assets		1 050	500	500	500		new
PUBLIC SAFETY & TRANSPORT (OWN SOURCE)	Communication System	Other Assets	13		1 000	1 000	1 000		new
INFORMATION TECHNOLOGY (OWN SOURCE)	Computer & Equipment	Other Assets	400	1 000	1 500	1 000	1 000		new
INFORMATION TECHNOLOGY(OWN SOURCE)	Equipment And Tools	Other Assets	949	950	500	1 000	1 000		new
CORPORATE SERVICES (OWN SOURCE)	Furniture	Other Assets	500	500	500	600	600		new
INFORMATION TECHNOLOGY(OWN SOURCE)	Buildings	Other Assets	-	3 000					new
Parent Capital expenditure					272 432	319 795	321 310		



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 63

FS194 Maluti-a-Phofung - Supporting Table SA37 Projects delayed from previous financial year/s												
Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
							Year	Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name <i>Project name</i>												

2.13 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website

2. Internship programme

The municipality was participating in the Municipal Financial Management Internship programme and all interns who were employed are now permanently employed so the grant will be redirected to mSCOA processes.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery Implementation Plan

The detail Draft SDBIP will be submitted to council with the Draft Budget 2016 MTREF as per circular 85 and 86.

6. Policies

An amendment of the Municipal Supply Chain Policy was announced in Government Gazette 34350 on 08 June 2011. The ratios as prescribed in the Regulations have been complied with.

As we however converted to GAMAP/GRAP in 2006 already certain aspects off the legislation is applicable to Maluti - A - Phofung and as such the Asset Register will be audited in April 2016 as the Municipality is trying to achieve full compliance.



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

2.14 OTHER SUPPORTING DOCUMENTS

TABLE 64

FS194 Maluti-a-Phofung - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		783 787	835 929	3 653 129	2 905 423	3 060 296	3 060 296		3 060 296	3 213 311	3 373 976
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		616 242	715 927	3 444 860	2 697 827	2 852 700	2 852 700		2 852 700	2 995 335	3 145 102
Net Property Rates		167 544	120 001	208 270	207 596	207 596	207 596	-	207 596	217 976	228 875
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		132 521	453 797	288 211	583 995	570 052	570 052		568 658	592 401	610 291
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		45 048	45 048	15 177	15 177	8 000	8 000		10 492	11 017	11 568
Net Service charges - electricity revenue		87 473	408 748	273 034	568 818	562 052	562 052	-	558 165	581 384	598 724
Service charges - water revenue	6										
Total Service charges - water revenue		65 170	86 341	80 175	94 104	83 882	83 882		100 917	105 963	111 261
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		3 183	2 798	20 222	20 222	10 000	10 000		22 602	23 732	24 919
Net Service charges - water revenue		61 987	83 542	59 953	73 882	73 882	73 882	-	78 315	82 231	86 342
Service charges - sanitation revenue	6										
Total Service charges - sanitation revenue		36 947	41 888	42 674	46 407	46 407	46 407		46 180	48 489	50 914
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		5 618	4 916	5 108	7 183	7 183	7 183		4 603	4 833	5 074
Net Service charges - sanitation revenue		31 329	36 972	37 566	39 224	39 224	39 224	-	41 577	43 656	45 839
Service charges - refuse revenue	6										
Total refuse removal revenue		27 589	32 865	38 193	38 532	38 532	38 532		39 693	41 678	43 762
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		5 902	5 164	5 366	5 672	5 672	5 672		4 862	5 105	5 360
Net Service charges - refuse revenue		21 688	27 700	32 826	32 860	32 860	32 860	-	34 832	36 573	38 402
Other Revenue by source											
Advertisement signs		50	124	206	2 000	100	100		1 500	1 575	1 654
Medical aid income		441	453	490	600	600	600		1 500	1 575	1 654
Building Plans Fees		143	1 114	188	1 000	100	100		1 000	1 050	1 103
Cemetery Fees		267	280	46	500	500	500		525	551	579
Commission received		229	117	27	14	-	-		16	17	18
Disconnections/Final reading & reconnections/ Connections prepaid		372	1 528	706	150	90	90		117	122	129
Insurance claims		494	-	8 632	15 210	5 300	5 300		6 310	6 626	6 957
Tender Documents		228	355	219	500	600	600		500	525	551
Zoning certificate application					20	10	10		30	32	33
Building relaxation application									25	26	28
Map water income (sewer, water, subsidy)		-	-	-							
Other Revenue by source (incl. fair value adjustment)	3	73 796	443 096	8 587	18 399	15 189	15 189		17 326	18 192	19 102
Total 'Other' Revenue	1	76 020	447 067	19 102	38 392	22 489	22 489	-	28 848	30 291	31 805
EXPENDITURE ITEMS:											
Employee related costs	2										
Basic Salaries and Wages		145 351	161 284	208 402	255 478	202 226	202 226		249 180	261 639	274 721
Pension and UIF Contributions		18 153	25 819	31 546	35 743	32 177	32 177		34 805	36 545	38 373
Medical Aid Contributions		8 683	9 107	10 749	12 749	10 938	10 938		11 999	12 599	13 229
Overtime		20 221	26 863	26 716	5 452	32 951	32 951		13 499	14 174	14 883
Performance Bonus		-	-	-	-	-	-		-	-	-
Motor Vehicle Allowance		2 135	5 175	6 451	15 224	11 856	11 856		13 573	14 252	14 965
Cellphone Allowance		480	789	1 236	1 331	1 033	1 033		1 025	1 076	1 130
Housing Allowances		652	678	1 335	1 508	1 295	1 295		1 386	1 455	1 528
Other benefits and allowances		27 915	12 780	22 658	6 992	26 712	26 712		10 679	11 213	11 774
Payments in lieu of leave		6 638	14 083	6 251	973	2 866	2 866		2 840	2 982	3 131
Long service awards		-	-	871	1 438	3 924	3 924		4 198	4 408	4 628
Post-retirement benefit obligations											
sub-total	4	230 229	256 577	316 215	336 890	325 978	325 978	-	343 185	360 345	378 362
Less: Employees costs capitalised to PPE	5										
Total Employee related costs	1	230 229	256 577	316 215	336 890	325 978	325 978	-	343 185	360 345	378 362
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		215 649	278 171	278 694	50 000	50 000	50 000		280 100	294 105	308 810
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment	10	215 649	278 171	278 694	50 000	50 000	50 000	-	280 100	294 105	308 810
Bulk purchases											
Electricity Bulk Purchases		264 583	452 467	709 906	380 000	230 000	230 000		579 200	608 150	638 568
Water Bulk Purchases											
Total bulk purchases	1	264 583	452 467	709 906	380 000	230 000	230 000	-	579 200	608 150	638 568



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

Transfers and grants										
Cash transfers and grants	80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383
Contracted services										
Indigent Register	425	-	-	-	5 000	5 000	-	5 000	5 250	5 513
Call outs	6 594	6 707	5 000	9 000	8 000	8 000	-	6 064	6 367	6 686
Municipal assets Insurance	31 647	20 310	17 581	20 000	24 371	24 371	-	13 939	14 636	15 368
Landfill site Management	2 299	2 145	1 505	2 340	6 000	6 000	-	5 040	5 292	5 557
Valuation roll/Credit control charges	1 295	3 774	3 404	1 500	1 000	1 000	-	1 500	1 575	1 654
Financial System	1 605	1 962	3 894	2 000	10 000	10 000	-	5 000	5 250	5 513
Collection costs/printing consumer accounts	854	699	168	500	500	500	-	200	210	221
Revenue Enhancement	494	10 533	6 875	15 150	30 000	30 000	-	10 000	10 500	11 025
Streetlights-ennergy efficient lighthing	9 953	10 914	5 477	10 000	5 000	5 000	-	3 000	3 150	3 308
Dinatla Debt collectors	-	-	9 094	-	-	-	-	-	-	-
VAT Review	-	-	5 520	5 000	3 000	3 000	-	3 000	3 150	3 308
Compilation of Financial Statements	-	-	1 408	5 000	5 000	5 000	-	5 000	5 250	5 513
Assets Verification	-	-	389	1 000	2 000	2 000	-	500	525	551
Urban Renewal	-	-	1 006	5 400	5 000	5 000	-	3 000	3 150	3 308
Debt collectors	24 221	3 734	817	2 000	1 500	1 500	-	1 500	1 575	1 654
SCM Database	-	-	-	450	450	450	-	-	-	-
SCM Management Support	-	-	-	800	800	800	-	400	420	441
Traffic management	-	-	-	2 000	3 000	3 000	-	3 500	3 675	3 859
Security Services	-	-	-	5 000	6 000	6 000	-	6 000	6 300	6 615
ICT Support	-	-	-	-	10 000	10 000	-	5 000	5 250	5 513
Rural formalisation	-	-	-	-	-	-	-	1 000	1 050	1 103
Fencing of landfill site	-	-	-	-	-	-	-	3 500	3 675	3 859
Maluti water(IT services)	-	-	-	-	-	-	-	-	-	-
Maluti water(meter reading contractors)	-	-	-	-	-	-	-	-	-	-
Maluti water(security services)	-	-	-	-	-	-	-	-	-	-
sub-total	79 388	60 778	62 139	87 140	126 621	126 621	-	82 143	86 250	90 563
Allocations to organs of state:										
Electricity	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total contracted services	79 388	60 778	62 139	87 140	126 621	126 621	-	82 143	86 250	90 563
Other Expenditure By Type										
Collection costs	-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Consultant fees	6 084	9 856	10 635	-	-	-	-	1 000	1 050	1 103
Audit fees	4 694	8 817	14 046	5 000	8 000	8 000	-	5 500	5 775	6 064
General expenses	19 765	38 295	31 225	26 390	31 692	31 692	-	27 376	28 541	29 968
DEPARTMENTAL CHARGES	4 231	31 810	6 270	7 682	7 682	7 682	-	8 878	9 322	9 788
FMG (MSCOA IMPLEMENTATION)	-	-	-	1 810	1 810	1 810	-	2 145	2 400	2 660
LEASING OF VEHICLES	-	-	2 302	-	5 600	5 600	-	4 500	4 725	4 961
DISASTER MANAGEMENT	-	-	-	10 000	10 000	10 000	-	5 000	5 250	5 513
COMMUNITY PROJECT EXPENDITURE	75 224	56 279	15 676	-	-	-	-	-	-	-
TRAINING	1 621	2 602	10 383	500	4 000	4 000	-	3 000	3 150	3 308
DUSTBINS	227	-	125	2 000	1 000	1 000	-	500	525	551
FUEL & OIL	6 022	8 074	3 976	6 000	4 000	4 000	-	5 000	5 250	5 513
PROTECTIVE CLOTHING	1 131	714	3 011	6 000	10 600	10 600	-	4 500	4 725	4 961
WATER LEVIES REFUND	27 865	39 419	36 851	35 068	35 000	35 000	-	25 000	26 250	27 563
BANK CHARGES	1 427	3 917	21 105	2 000	2 000	2 000	-	2 000	2 100	2 205
BRICK MAKING PROJECT	-	-	-	3 000	5 000	5 000	-	5 000	5 250	5 513
TELEPHONE	2 867	4 494	4 646	2 500	3 000	3 000	-	3 100	3 255	3 418
LEGAL CHARGES	2 388	4 536	3 764	5 000	20 000	20 000	-	5 000	5 250	5 513
EMPLOYEES WELLNESS	1 178	-	518	2 500	1 500	1 500	-	900	945	992
DATA LINE & ICT STRATEGY	1 306	12 553	937	1 680	1 500	1 500	-	5 500	5 775	6 064
DEPARTMENTAL- OPERATIONAL PROJECTS	5 094	732	5 511	21 255	14 100	14 100	-	9 100	9 555	10 033
(FS WONDERLAND FIREWORKS)	-	-	-	-	-	-	-	16 000	16 800	17 640
BURSARIES	2 258	3 917	21 105	15 000	20 000	20 000	-	15 000	15 750	16 538
MAYORAL FUND/SPECIAL PROGRAMMS	-	-	-	58 665	63 700	63 700	-	37 600	39 480	41 454
MEMBERSHIP FEES: SALGA	1 928	1 226	6 715	3 300	4 000	4 000	-	4 280	4 494	4 719
Other Expenditure By Type	63 909	181 300	124 379	44 794	50 880	50 880	-	62 328	59 395	62 125
Total 'Other' Expenditure	229 218	408 543	323 181	260 144	305 064	305 064	-	258 206	265 012	278 162
Repairs and Maintenance										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Other materials	72 185	461 075	97 751	65 970	106 340	106 340	-	82 230	86 342	90 659
Contracted Services	-	-	-	-	-	-	-	-	-	-
Other Expenditure	-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	72 185	461 075	97 751	65 970	106 340	106 340	-	82 230	86 342	90 659



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 65

FS194 Maluti-a-Phofung - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Legislative Authority	Vote 2 - Office of the Municipal Manager	Vote 3 - Corporate Services	Vote 4 - Budget & Treasury Office	Vote 5 - Municipal Infrastructur e	Vote 6 - Community Services	Vote 7 - Public Safety & Transport	Vote 8 - Sports, Parks, Arts & Culture	Vote 9 - LED, Tourism , SMME's, Rur al &	Vote 10 - Human Settlements	Vote 11 - IDP Department	Vote 12 - Spatial Development , Planning &	Vote 13 - Electricity Department	Vote 14 - Maluti Water (Pty) Ltd	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	207 596	-	-	-	-	-	-	-	-	-	-	-	207 596
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	558 165	-	-	558 165
Service charges - water revenue		-	-	-	-	78 315	-	-	-	-	-	-	-	-	-	-	78 315
Service charges - sanitation revenue		-	-	-	-	41 577	-	-	-	-	-	-	-	-	-	-	41 577
Service charges - refuse revenue		-	-	-	-	-	34 832	-	-	-	-	-	-	-	-	-	34 832
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	384	-	-	900	-	-	-	-	-	1 284
Interest earned - external investments		-	-	-	2 900	-	-	-	-	-	-	-	-	-	-	-	2 900
Interest earned - outstanding debtors		-	-	-	31 800	-	-	-	-	-	-	-	-	-	-	-	31 800
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	14 012	-	-	-	-	-	-	-	-	14 012
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	500	10 250	-	3 123	980	53	5 580	1 000	-	3 197	4 167	-	-	28 849
Transfers and subsidies		-	-	-	498 413	-	-	-	-	5 219	-	-	-	-	-	-	503 632
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	500	750 959	119 882	37 954	14 992	437	10 799	1 900	-	3 197	562 332	-	-	1 502 962
Expenditure By Type																	
Employee related costs		12 056	18 981	26 929	34 875	26 316	60 002	66 491	39 132	6 419	7 516	4 931	9 985	30 552	-	-	343 185
Remuneration of councillors		23 357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23 357
Debt impairment		-	-	-	270 000	-	-	-	-	-	-	-	-	-	-	-	270 000
Depreciation & asset impairment		-	-	-	280 100	-	-	-	-	-	-	-	-	-	-	-	280 100
Finance charges		-	-	-	4 000	-	-	-	-	-	-	-	-	-	-	-	4 000
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	579 200	-	-	579 200
Other materials		-	800	300	-	41 400	-	5 030	1 000	-	3 400	-	-	30 300	-	-	82 230
Contracted services		-	5 000	-	36 039	-	-	9 500	-	8 540	-	-	4 000	19 064	-	-	82 143
Transfers and subsidies		-	-	-	115 540	-	-	-	-	-	-	-	-	-	-	-	115 540
Other expenditure		62 161	20 355	25 455	47 230	3 580	2 995	22 932	28 340	22 114	370	3 060	240	19 375	-	-	258 206
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		97 574	45 136	52 684	787 784	71 296	62 996	102 953	68 472	37 073	11 286	7 991	14 225	678 491	-	-	2 037 962
Surplus/(Deficit)		(97 574)	(45 136)	(52 184)	(36 825)	48 587	(25 042)	(87 961)	(68 035)	(26 274)	(9 386)	(7 991)	(11 028)	(116 159)	-	-	(535 000)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						215 732											215 732
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)																	-
Surplus/(Deficit) after capital transfers & contributions		(97 574)	(45 136)	(52 184)	(36 825)	264 329	(25 042)	(87 961)	(68 035)	(26 274)	(9 386)	(7 991)	(11 028)	(116 159)	-	-	(319 268)



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 66

FS194 Maluti-a-Phofung - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Call investment deposits											
Call deposits											
Other current investments											
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-	-
Consumer debtors											
Consumer debtors		107 379	520 053	467 871	750 000	750 000	750 000		1 063 029	1 116 180	1 171 989
Less: Provision for debt impairment		-		-	(70 050)	(70 050)	(70 050)		(270 000)	(283 500)	(297 675)
Total Consumer debtors	2	107 379	520 053	467 871	679 950	679 950	679 950	-	793 029	832 680	874 314
Debt impairment provision											
Balance at the beginning of the year		(338 277)	-	(162 696)							
Contributions to the provision											
Bad debts written off		183 813	(162 696)	254 821	70 050	70 050	70 050		270 000	283 500	297 675
Balance at end of year		(154 464)	(162 696)	92 125	70 050	70 050	70 050	-	270 000	283 500	297 675
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		5 406 649	8 324 872	8 524 565	5 676 286	5 676 286	5 676 286		8 950 793	9 398 333	9 868 250
Leases recognised as PPE	3	-									
Less: Accumulated depreciation		2 227 182	5 338 165	5 613 345	2 533 594	2 533 594	2 533 594		5 894 012	6 188 713	6 498 149
Total Property, plant and equipment (PPE)	2	3 179 466	2 986 706	2 911 220	3 142 692	3 142 692	3 142 692	-	3 056 781	3 209 620	3 370 101
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		574 175	1 044 503	1 649 844	880 000	880 000	880 000		1 732 336	1 818 953	1 909 900
Unspent conditional transfers		2 481	1 787	2 854							
VAT		16 188									
Total Trade and other payables	2	592 845	1 046 290	1 652 698	880 000	880 000	880 000	-	1 732 336	1 818 953	1 909 900
Non current liabilities - Borrowing											
Borrowing	4	13 762	9 077	7 123	8 000	4 500	4 500		7 000	5 000	2 500
Finance leases (including PPP asset element)		-									
Total Non current liabilities - Borrowing		13 762	9 077	7 123	8 000	4 500	4 500	-	7 000	5 000	2 500
Provisions - non-current											
Retirement benefits		26 861	24 803	29 169	26 043	26 043	26 043		30 627	32 159	33 767
List other major provision items											
Refuse landfill site rehabilitation		21 658	-	0	20 273	20 273	20 273				
Other		-	41 016	41 907	-				44 002	46 202	48 513
Total Provisions - non-current		48 519	65 819	71 076	46 316	46 316	46 316	-	74 630	78 361	82 279
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		3 096 942	2 775 587	2 640 007	2 917 077	2 911 977	2 911 977	-	2 522 077	2 617 229	2 766 025
GRAP adjustments											
Restated balance		3 096 942	2 775 587	2 640 007	2 917 077	2 911 977	2 911 977	-	2 522 077	2 617 229	2 766 025
Surplus/(Deficit)		(261 433)	(135 579)	(829 078)	257 920	266 520	266 520	-	(319 268)	(301 480)	(331 039)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	2 835 509	2 640 007	1 810 929	3 174 997	3 178 497	3 178 497	-	2 202 809	2 315 749	2 434 986
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 835 509	2 640 007	1 810 929	3 174 997	3 178 497	3 178 497	-	2 202 809	2 315 749	2 434 986



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 67

FS194 Maluti-a-Phofung - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			361	385	336	385	385	336	336	336	336	353
Females aged 5 - 14			52	43	35	43	43	35	35	35	35	37
Males aged 5 - 14			50	42	36	42	42	36	36	36	36	38
Females aged 15 - 34			54	45	65	45	45	65	65	65	65	68
Males aged 15 - 34			51	43	58	43	43	58	58	58	58	61
Unemployment			75	62	56	62	62	56	56	56	56	59
Monthly household income (no. of households)	1, 12											
No income			44 817	50 861	53 413	50 861	53 413	53 413	53 413	53 413	53 413	56 084
R1 - R1 600			38 542	40 452	39 259	40 452	39 259	39 259	39 259	39 259	39 259	41 222
R1 601 - R3 200			2 067	1 723	2 917	1 723	2 917	2 917	2 917	2 917	2 917	3 063
R3 201 - R6 400			2 106	1 755	1 758	1 755	1 758	1 758	1 758	1 758	1 758	1 845
R6 401 - R12 800			1 358	1 132	1 514	1 132	1 514	1 514	1 514	1 514	1 514	1 590
R12 801 - R25 600			943	786	855	786	855	855	855	855	855	897
R25 601 - R51 200			149	124	191	124	191	191	191	191	191	200
R52 201 - R102 400			150	125	120	125	120	120	120	120	120	126
R102 401 - R204 800			258	215	114	215	114	114	114	114	114	120
R204 801 - R409 600			-	-	88	-	88	88	88	88	88	92
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			360 787	385 413	335 784	385	336	336	336	336	336	352 573
Number of poor people in municipal area			328 724	364 561	213 417	365	213	213	213	213	213	224 088
Number of households in municipal area			90 390	97 172	100 228	97	100	100	100	100	100	105 239
Number of poor households in municipal area			83 359	91 312	92 672	91	93	93	93	93	93	97 306
Definition of poor household (R per month)						1 500	2 200	2 200	2 200	3 500	3 500	3 500
Housing statistics	3											
Formal			90 390	97 172	100 228	97 172	100 228	100 228	100 228	100 228	100 228	105 239
Informal												
Total number of households			90 390	97 172	100 228	97 172	100 228	100 228	100 228	100 228	100 228	105 239
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						5,8%	6,1%	6,5%	6,5%	6,5%	6,5%	6,8%
Interest rate - borrowing						11,5%	13,0%	13,5%	13,5%	14,0%	15,0%	15,8%
Interest rate - investment						3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,2%
Remuneration increases						7,0%	1% + CPI	1,25% + CPI	1%+CPIX	1%+CPIX	1%+CPIX	1%+CPIX
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges						72,8%	131,9%	23,4%	80,0%	60,0%	80,0%	80,0%
Rental of facilities & equipment						64,6%	62,6%	40,0%	80,0%	80,0%	80,0%	80,0%
Interest - external investments						78,5%	155,8%	36,5%	80,0%	80,0%	80,0%	80,0%
Interest - debtors						127,1%	93,4%	33,8%	80,0%	8,0%	80,0%	80,0%
Revenue from agency services						0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

Detail on the provision of municipal services for A10

Total municipal services		Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
			Household service targets (000)									
			Water:									
	8		Piped water inside dwelling	85 420	85 488	85 488	85 488	85 488	85 488	85 488	85 488	89 762
	10		Piped water inside yard (but not in dwelling)	10 881	10 890	10 890	10 890	10 890	10 890	10 890	10 890	11 435
			Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
			Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
			Minimum Service Level and Above sub-total	96 301	96 378	96 378	96 378	96 378	96 378	96 378	96 378	101 197
	9		Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
	10		Other water supply (< min.service level)	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850	4 043
			No water supply	-	-	-	-	-	-	-	-	-
			Below Minimum Service Level sub-total	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850	4 043
			Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 239
			Sanitation/sewerage:									
			Flush toilet (connected to sewerage)	32 941	35 642	35 642	35 642	35 642	35 642	35 642	35 642	37 424
			Flush toilet (with septic tank)	2 607	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 765
			Chemical toilet	3 195	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 204
			Pit toilet (ventilated)	17 424	21 900	21 900	21 900	21 900	21 900	21 900	21 900	22 995
			Other toilet provisions (> min.service level)	38 949	33 600	33 600	33 600	33 600	33 600	33 600	33 600	35 280
			Minimum Service Level and Above sub-total	95 116	95 874	95 874	95 874	95 874	95 874	95 874	95 874	100 668
			Bucket toilet	715	-	-	-	-	-	-	-	-
			Other toilet provisions (< min.service level)	2 133	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 262
			No toilet provisions	2 264	2 200	2 200	2 200	2 200	2 200	2 200	2 200	2 310
			Below Minimum Service Level sub-total	5 112	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 572
			Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240
			Energy:									
			Electricity (at least min.service level)	52 500	55 125	57 881	57 881	57 881	60 775	63 814	67 005	70 355
			Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
			Minimum Service Level and Above sub-total	52 500	55 125	57 881	57 881	57 881	60 775	63 814	67 005	70 355
			Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
			Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
			Other energy sources	47 728	45 103	42 347	42 347	42 347	39 453	36 414	36 414	38 235
			Below Minimum Service Level sub-total	47 728	45 103	42 347	42 347	42 347	39 453	36 414	36 414	38 235
			Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	103 419	108 590
			Refuse:									
			Removed at least once a week	26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833	28 174
			Minimum Service Level and Above sub-total	26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833	28 174
			Removed less frequently than once a week	491	496	496	496	496	496	496	496	521
			Using communal refuse dump	5 224	5 276	5 276	5 276	5 276	5 276	5 276	5 276	5 540
			Using own refuse dump	54 061	54 602	54 602	54 602	54 602	54 602	54 602	54 602	57 332
			Other rubbish disposal	5 576	5 632	5 632	5 632	5 632	5 632	5 632	5 632	5 913
			No rubbish disposal	8 309	7 390	7 390	7 390	7 390	7 390	7 390	7 390	7 760
			Below Minimum Service Level sub-total	73 661	73 396	73 396	73 396	73 396	73 396	73 396	73 396	77 065
			Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240
Municipal in-house services		Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
			Energy:									
			Electricity (at least min.service level)	52 500	55 125	57 881	57 881	57 881	60 775	63 814	67 005	70 355
			Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
			Minimum Service Level and Above sub-total	52 500	55 125	57 881	57 881	57 881	60 775	63 814	67 005	70 355
			Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
			Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
			Other energy sources	47 728	45 103	42 347	42 347	42 347	39 453	36 414	36 414	38 235
			Below Minimum Service Level sub-total	47 728	45 103	42 347	42 347	42 347	39 453	36 414	36 414	38 235
			Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	103 419	108 590
			Refuse:									
			Removed at least once a week	26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833	28 174
			Minimum Service Level and Above sub-total	26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833	28 174
			Removed less frequently than once a week	491	496	496	496	496	496	496	496	521
			Using communal refuse dump	5 224	5 276	5 276	5 276	5 276	5 276	5 276	5 276	5 540
			Using own refuse dump	54 061	54 602	54 602	54 602	54 602	54 602	54 602	54 602	57 332
			Other rubbish disposal	5 576	5 632	5 632	5 632	5 632	5 632	5 632	5 632	5 913
			No rubbish disposal	8 309	7 390	7 390	7 390	7 390	7 390	7 390	7 390	7 760
			Below Minimum Service Level sub-total	73 661	73 396	73 396	73 396	73 396	73 396	73 396	73 396	77 065
			Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

Municipal entity services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Maluti-a-Phofung Water (SOC) Ltd		Household service targets (000)									
		Water:									
	8	Piped water inside dwelling	85 420	85 488	85 488	85 488	85 488	85 488	85 488	85 488	89 762
		Piped water inside yard (but not in dwelling)	10 881	10 890	10 890	10 890	10 890	10 890	10 890	10 890	11 435
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
	9	Minimum Service Level and Above sub-total	96 301	96 378	96 378	96 378	96 378	96 378	96 378	96 378	101 197
		Using public tap (< min.service level)									
		Other water supply (< min.service level)	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850	4 043
		No water supply									
	10	Below Minimum Service Level sub-total	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850	4 043
		Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 238
		Sanitation/sewerage:									
		Flush toilet (connected to sew erage)	32 941	35 642	35 642	35 642	35 642	35 642	35 642	35 642	37 424
		Flush toilet (with septic tank)	2 607	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 765
		Chemical toilet	3 195	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 204
		Pit toilet (ventilated)	17 424	21 900	21 900	21 900	21 900	21 900	21 900	21 900	22 995
		Other toilet provisions (> min.service level)	38 949	33 600	33 600	33 600	33 600	33 600	33 600	33 600	35 280
		Minimum Service Level and Above sub-total	95 116	95 874	95 874	95 874	95 874	95 874	95 874	95 874	100 668
		Bucket toilet	715	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	2 133	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 262
		No toilet provisions	2 264	2 200	2 200	2 200	2 200	2 200	2 200	2 200	2 310
		Below Minimum Service Level sub-total	5 112	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 572
		Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240
Detail of Free Basic Services (FBS) provided			2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Electricity	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (50 kwh per indigent household per month R'000)	45 048 477	45 048 477	15 177 000	15 177 000	8 000 000	8 000 000	10 492 278	11 016 892	11 567 737
		Number of HH receiving this type of FBS	100 228	100 228	70 228	25 295	25 295	25 295	20 100	20 100	20 100
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
	Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-	
Water	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month R'000)	3 183 000	2 798 470	20 221 776	20 221 776	10 000 000	10 000 000	22 601 826	23 731 917	24 918 513
		Number of HH receiving this type of FBS	6 847	5 706	36 955	36 955	36 955	36 955	38 803	38 803	38 803
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
	Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-	
Sanitation	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (free sanitation service to indigent households)	5 618 046	4 915 934	5 108 441	7 182 696	7 182 696	7 182 696	4 602 609	4 832 739	5 074 376
		Number of HH receiving this type of FBS	6 847	5 706	5 594	5 594	5 594	5 594	4 506	4 506	4 506
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
	Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-	-	
Refuse Removal	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (removed once a week to indigent households)	5 901 840	5 164 297	5 366 212	5 672 316	5 672 316	5 672 316	4 861 505	5 104 581	5 359 810
		Number of HH receiving this type of FBS	6 847	5 706	5 594	5 594	5 594	5 594	4 506	4 506	4 506
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
	Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-	



Maluti-A-Phofung Municipality Approved Final Annual Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 68

FS194 Maluti-a-Phofung - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
OPERATIONAL					
Lwampupua (Pty) Ltd	Yrs	1	Appointment of Service Provider: Transport Services for a Period not Exceeding one (01) year	22 September 2017	Price per item
M. Maureen Moloi Construction	Yrs	2	Appointment of Service Provider for Project Management of Brick Making Initiative	08 December 2018	R 3 313 450.04 Vat Inclusive
KN2 Projects (Pty) Ltd,	Yrs	3	Procurement of A Service Provider: Project Management for Contract Development Programme for the Period of 3 years.	13 March 2018	Funded by own resources and Ilifa Africa Engineers (Pty) Ltd will claim fees according to the ECSA guidelines.
E'tsho Civils CC	Yrs	3	Appointment of Service Provider - Management of the Project Management Unit	30 August 2018	Cost of the Projects be 5% of all Projects to be Managed by the appointed bidder
Matla a Kopano	Yrs	3	Review of Value Added tax	20 March 2018	25% of all monies recovered, 15% shall be payable for assisting the Municipality
TMT Services and Supplies (Pty) Ltd	Yrs	3	Supply, Support and maintenance of a Traffic Contravention System and renting of Speed Cameras for the Period of 3 years.	04 May 2018	R 98.94 excluding Vat prt infringement
Altimax Training Academy	Yrs	3	Consolidation AFS, Audit Files and Audit assistance	30 November 2017	Fees will be as per service fees attached in annexure D
lateral Unison Insurance Brokers (Pty) Ltd	Yrs	3	Appointment of Short-term Insurance Broker	14 October 2018	R 2 135 906.62 per months
Orion Equipment Services	Yrs	3	Artisans Project Management for period of 3 years	28 July 2018	Cost for the project be R 13 935 000.00 Vat inclusive
AJ Mining and Industrial Suppliers	Mths	5	Refurbishment of Fika Patso Water Purification Plant (Phase 1)	05 April 2017	R 19 111 038.06 Vat Inclusive
Rob's Investment Holding (Pty) Ltd	Mths	10	Mechanical, Electrical and Associated Works.	29 September 2017	R 10 376 525.00 Vat Inclusive
			Upgrading of Tshiame Roads: Phase 2B		
Mofomo Construction CC	Mths	18	Qwa Qwa: Provision of Water Services for Network Extensions and ERF Connection for Qwa Qwa Rural Areas: Phahameng Village	30 May 2018	R 13 626 530.48 Vat Inclusive
Safika Residential Developers CC	Yrs	2	Qwa Qwa: Provision of Water Services for Network Extensions and ERF Connection for Qwa Qwa Rural Areas: Naledi Village	06 December 2018	R 5 188 414.90 Vat Inclusive
Dee Dee Enterprises	Yrs	3	Supply and Delivery of Road Materials and Stormwater Materials for Period of 03 Years.	25 April 2019	R 7 533 086.33 Vat Inclusive
Razzmalazz Civil	Mths	18	New Taxi Facility at Intabazwe.	02 September 2017	R 19 447 367.06 Vat Inclusive
Razzmalazz Civil	Yrs	3	Upgrading of Intabazwe Stadium.	02 March 2019	R 48 731 418.54 Vat Inclusive
Razzmalazz Civil	Mths	15	New Indoor Sport and Recreational Hall in Bluegumbosch	05 August 2017	Cost for the project be R 35 106 616.07 Vat Inclusive
			Extension of Scope: Solar Streetlight Project: Repair and Maintenance to Control Systems of Streetlight and High Mast Light Sections.	05 December 2017	Fixed Monthly Fee R 81 281.50 Vat Exclusive Variable actual cost limited to R 150 000.00 Vat Inclusive per month
Solar Spectrum Trading 24 (PTY) LTD	Yrs	3	Extension of Scope: Hiring of Plant in Maluti a Phofung Area	31 October 2017	On Quotation basis
HDM Catering and Projects CC	Yrs	3			25% of all monies recovered, 15% shall be payable for assisting the Municipality
Matla a Kopano	Yrs	15	Review of Value Added tax	20 March 2018	
TMT Services and Supplies (Pty) Ltd	Yrs	3	Supply, Support and maintenance of a Traffic Contravention System and renting of Speed Cameras for the Period of 3 years.	04 May 2018	R 98.94 excluding Vat prt infringement
Altimax Training Academy	Yrs	3	Consolidation AFS, Audit Files and Audit assistance	30 November 2017	Fees will be as per service fees attached in annexure D
lateral Unison Insurance Brokers (Pty) Ltd	Yrs	3	Appointment of Short-term Insurance Broker	14 October 2018	R 2 135 906.62 per months
			Provision of Information, Communication and Technology for Period equivalent to the remaining period of Dihlabeng Local Municipality		
Bohlokong Computer Solution	Mths	7	Supply and Installation of High Mast Lights in Maluti a Phofung-	01 August 2016	R5, 328, 298.64
Radimpe Construction and General Trade	Yrs	3	Phase 2	08 March 2017	R 14 152 000.8 Vat included
Tsoga o Bone Building Enterprise CC	Mths	15	Appointment of Service Provider: Fencing of Cemeteries	08 June 2017	R 7 885 858.12 Vat included

2.14.1 ANNUAL BUDGETS OF MUNICIPAL ENTITIES

See Annexure 2 for detailed schedules



2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I Advocate M.R. Tsupa Municipal Manager of Maluti - A - Phofung Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget is consistent with the business plans of the municipality and the integrated development plan

Print name: Advocate. M.R Tsupa

Municipal Manager of Maluti - A - Phofung Municipality

Signature: _____

Date: _____